

2012/2013

THEEWATERSKLOOF MUNICIPALITY

ANNUAL REPORT Volume I

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Context of the Annual Report

Assessments and conclusions about the state of Theewaterskloof Municipality in 2012/2013 are based on requirements of certain Acts:

- Constitution of South-Africa;
- Local Government: Municipal Systems Act (32 of 2000);
- Local Government: Municipal Structures Act (117 of 1998);
- Municipal Financial Management Act; and
- Pieces of municipal related legislation.

This report provides an overview of the state of the municipality, council and administration in the report year; matters of functional service delivery; financial sustainability; and threats, challenges and opportunities that faced the local authority in 2012/2013.

Vision

Theewaterskloof municipal vision is to increase its effectiveness as a local government through an effective operational structure, supported by sustainable infrastructure and human abilities and capacities, in an environment conducive for growth, development and functional service delivery; and to create short, medium and long term financial sustainability with sufficient sustainable sources of income.

Political compliance

The political sphere, Executive Mayor and Committee and full Council, of the local authority secured compliance with:

- Clean and incorrupt governance.
- Effective administration.
- Good governance by council.
- Financial sustainability.
- The Constitution in terms of public involvement in third tier government.
- The Public Access to Information Act.
- Integration on various levels of governments: local, district, provincial and national.
- Political stability and interaction between political structures and administration.

Threats to Theewaterskloof Municipality

The municipality dealt effectively with various threats where several mechanisms and modes operandi were developed and implemented to deal with challenges.

- Disinformation spread to the public by political opportunists disrupted municipal service delivery and caused a degree of public disobedience and violent protests. The political structure and administration worked together closely to develop functional means to deal with public grievances.
- The political structures provided guidance to management to deal with financial sustainability and humanitarian threats of mass migration of people from other provinces to Grabouw and Villiersdorp. People come to TWK for work and services and mostly become dependent on the municipality. It is difficult to budget for the needs of the rapidly growing population and to ensure that poverty and marginalisation does not spiral out of control. Council however accepts the democratic right of people to live where they want, and is working closely with the administration to extend indigent support to all in need. Council however realises that the financial pressure of migration to this region should be addressed jointly by local, national and provincial governments.

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- Council took decisive actions to ensure TWK's long term financial sustainability and adopted this as the municipality's primary objective. Interventions in this regard include Local Economic Development to increase the existing limited tax and tariff basis. In the report year Council participated in initiatives that lead to rapid business development in the region and especially the Caledon area. It resulted in almost 1000 jobs and increased taxes and tariffs in 2012/2013. Council also took actions to obtain income for unfunded mandates and to redress shortcomings in the national financial model for municipalities. Other interventions included savings on overheads, increased debt collection and the scouting of alternative income sources.
- Communication with the communities became a core function to succeed with good governance and subsequently council adopted this function as it second highest priority in the report year. In articulation with the administration SLA's were re-launched whilst ward committees and communication tools became more effective.

Key policy matters

- The Integrated Development Plan for Theewaterskloof Municipality was drafted in accordance with the requirements and prescriptions of the Municipal Systems Act (32 of 2000). Through the implementation of the Schutte-model for drafting IDP's, which is regarded as a best practice in municipalities, Theewaterskloof obtained maximum community inputs and participation on the IDP/Budget for 2012/2013 and the two outer years. In the process of drafting the IDP/Budget the public and municipality spoke freely about matters such as public expectations, municipal abilities and capacities and threats to the authority's financial sustainability.
- The municipality adhered, in the delivery of all its core functions, to Acts and legislation prescribing public participation through various processes. Processes include Ward Committee activities, Service Level Agreement-activities and public meetings. The municipality declares that the public participated in all municipal activities.
- The municipality complied with the prescriptions and demands of the Public Access to Information Act and this occurred through regular town newspapers, corporate newspapers, press releases, brochures, pamphlets and negotiations where information was transferred.

Key achievements

- The municipality interacted with the public by means of a research done for the IDP; the authority developed its understanding of the communities' profile and the socio-economic (welfare, demographics, employment, poverty, education and training of the people within the municipal area. By understanding the municipality has knowledge about the real needs of people and communities and what municipal actions are needed to create general and economic growth and development.
- The municipality by and large succeeded with its SLA process and entered into second generation agreements with most towns. Service Level Agreements of towns were evaluated by communities and the results point towards improved service delivery.
- Despite political driven public protests the municipality improved service delivery and upgrading by development of key infrastructure with extended design capacities and operational expectancy.
- The municipality extended its support to poor families through the indigent household support program, the spreading of basic service delivery to more people and job creation interventions as part of the LED-function. .
- The municipality implemented its housing allocations in four towns and facilitated good houses to hundreds of beneficiaries and families.
- The municipality planned for short to medium term financial sustainability and implemented organisational strategies and approaches to ensure that outstanding debts are recovered, that the client pay for all services, that the rand is utilized to its optimum and that operational savings add to the pool of funds for service delivery.
- The South African Local Government Association (SALGA) and the Department of Local Development and Tourism in the Western Cape, confirmed, after the second round of local economic development

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maturity assessments in December 2012, that Theewaterskloof Municipality's LED-function still fairs the best of all municipalities in the province.

Final thoughts

It was a tough year and the challenges to maintain development and service delivery in a politically heated environment was met; but with time and effort that should have gone into service delivery and municipal financial sustainability initiatives.

The budget for 2012/2013 was successfully implemented and an index will indicate that services were spread to people who need it most, i.e. indigent households.

Challenges of the day were dealt with successfully and a foundation was laid for long term financial sustainability. The municipality remained one of the best in South Africa. Despite limited resources effective and sustainable services were rendered through skilled, experienced and committed personnel and good infrastructures.

The baseline assessment is that the municipality moved forward in 2012/2013 and that it progressed in terms of its responsibilities, tasks and service delivery.

Acknowledgements

I thank Municipal Manager, Mr. Stan Wallace for the incredible work done by him, his management team and all other staff.

I thank the Executive Committee for their support and dedication to this fine municipality; it was a privilege to lead people of your calibre.

I thank all parties in Council for their support.

Thanks to directors, town managers and all personnel.

Thank you to the public that worked with us and actively participated in processes which lead to good municipal governance and services. Thank you for supporting us and for allowing us to serve you.

I Praise our Heavenly Father for His guidance, without Him nothing would have been possible.

(Signed by :) _____

Mayor/Executive Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The report year followed in the wake of service delivery protest action that moved from town to town in the first semester of 2012. Subsequently the start of the report year was marked by a negative and pessimistic mood.

The first few months of the year was spent to normalise the functioning of the municipality and to address the disruption, caused by the protest actions, within communities.

There was a general fear that the protest actions created long term distrust between the community and the municipality and therefore it was important to find new means to communicate with communities.

The IDP/Budget process provided an opportunity to redress this matter mainly through the Schutte-model and to achieve community involvement, participation and relationships have been stabilised. Through the Schutte-model the authority and the public engaged intensely and reached new levels of mutual understanding and respect. This must be regarded as a key achievement in the report year.

From the beginning of the year it was clear that Theewaterskloof municipality had to regain the momentum it had in the previous term and for that the aim was to address the following challenges and threats:

- Financial sustainability.
- Service delivery.
- Stakeholder's expectations and perceptions.
- Internal tensions and relationships.
- Continuation of good corporate governance.
- Continuation of good institutional capacities.
- Reducing the gap between public needs and expectations and municipal abilities.

By and large administration and the political structure had to return to the basics which they implemented and succeeded with from 2006 to 2011.

After a council and management workshop in September 2012 all internal role-players in the municipality understood and agreed that financial sustainability had to be the key priority for the year.

There was a need to implement a financial sustainability strategy with emphasis on the following:

- Increased success with credit control and revenue collection.
- Departmental projects to enhance revenue generation and cost savings.
- Creating an environment that would attract investors and developers.
- Budget reforms.

The workshop indicated communication as the second highest priority and the function needed to be upgraded to improve communication between the municipality and the public, to allow the municipality to understand the extent of public needs and to make the latter aware of municipal constraints based on resources and capacities. To a large degree this matter was dealt with adequately in the report year.

Matters that received attention were:

- Review of the communication strategy.
- Review of the IDP process.
- Review of the ward committee functioning.
- Improved relevance of the town and corporate newsletters.
- SMS communication.
- Xhosa help desks.

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The workshop paved the way to the redressing of productivity in innovative methods as the municipality reached a point where it could no longer buy capacity. It was decided that the productivity assessments should focus on human resources management, financial management, equipment, the fleet, material management and technology.

The pilot in which methodology and results were tested had been completed. Based on lessons learnt the municipality will review the methodology; whilst the adopted approach will be tested in the revenue department.

The strategy to improve service delivery focused on the following:

- Implementing the lessons learnt from service delivery protest action and certain service delivery improvements.
- Reliable understanding of the services needs and expectations of rate payers and consumers.
- Re-launching the Service Level Agreement (SLA) mechanism to proactively involve the community in identifying and defining key service delivery issues within all communities.
- Assessing municipal performance in terms of set standards.
- Assimilating steps to improve service delivery demands.
- Staying on course with housing projects.

In regards to stakeholder expectations and perceptions the most important challenge was to ensure that stakeholders developed knowledge and understanding of challenges facing the municipality and to facilitate a situation in which public expectations became more moderate.

Public road shows, the re-launching of the SLA's and the IDP and Budget drafting methodology and process were part of the strategy to align public expectations with the municipality's institutional capacity.

At a summit, members of ward committees were informed of constraints that the municipality faced. The importance of obtaining community cooperation to deal with the challenges was reiterated; as was the need to restructure certain wards committees and the relevance to have special meetings with specific interest groups such as organised agriculture, rate payer organisations, potential investors and developers.

The municipality reviewed the format of newsletters and the web site to create understanding between the municipality and the public and to improve communication.

Establishing street committees and mechanisms for communities to participate in solutions is also currently being considered.

In regards to corporate governance contract and project administration is receiving special attention.

The municipality adopted an action plan which should result in a clean audit report in 2014.

A number of key positions have been filled to improve service delivery and key aspects of corporate governance.

Another focus was on Local Economic Development to escalate the business sector, create jobs and broaden the municipal income basis. The South African Local Government Association (SALGA) and the Department of Local Development and Tourism in the Western Cape, confirmed, after the second round of local economic development maturity assessments in December 2012, that Theewaterskloof Municipality's LED-function still fails the best of all municipalities in the province in creating an environment conducive for local economic development and growth.

As some of the interventions started to produce, results pressure on internal role players was relieved. It allowed the municipality to focus on financial sustainability through:

- Development of income sources other than tax and tariffs.
- Discussion with other spheres of government to increase National and Provincial funding to deal with the financial implications of the high rate of migration to the metro areas of TWK.
- Negotiations for a new funding model for local government.

At the end of the year some elements of crisis management still existed and the municipality has not quite achieved the same levels of proactive focus and momentum as it did in the previous term.

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It was however been a most successful year since the 2011 election. The municipality made a turn and is busy to recover and improve.

(Signed by :) _____

Municipal Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION TO BACKGROUND DATA

The 2012/13 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period 1 July 2012 to 30 June 2013. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

The report aims to provide the reader with an insight into the activities of the municipality during the past year.

1.2.2 POPULATION

The Municipality is estimated to account for **42%** or **108 790** of the Overberg District's population in 2011. Compared to 2001 census, TWK population growth is estimated to have increased by 14%.

1.2.3 TOTAL POPULATION

MUNICIPALITY	CENSUS 2001	COMMUNITY SURVEY 2007	CENSUS 2011	% GROWTH
Theewaterskloof	93 276	86 721	108 790	14%

1.2.4 POPULATION PROFILE

	Black African	Coloured	Indian or Asian	White	Other	Grand Total
Ward 1	1395	6222	38	1535	65	9256
Ward 2	312	7246	41	697	148	8443
Ward 3	1402	9277	24	398	74	11174
Ward 4	1180	3348	29	2487	59	7102
Ward 5	4188	5369	101	1868	101	11627
Ward 6	2711	3846	18	85	146	6805
Ward 7	1685	5806	28	620	83	8223
Ward 8	2603	2450	0	7	6	5066
Ward 9	2018	5581	22	373	2	7995
Ward 10	1409	3874	10	553	58	5904
Ward 11	2072	2814	21	363	23	5293
Ward 12	3070	4318	14	161	14	7576
Ward 13	4713	8326	42	1025	218	14325
Grand Total	28757	68478	387	10173	995	108790

Ward	Male	Female	Grand Total
1	4730	4526	9256
2	4123	4320	8443
3	5633	5541	11174
4	3650	3452	7102
5	6700	4927	11627
6	3466	3339	6805
7	4118	4105	8223
8	2566	2500	5066
9	4124	3871	7995
10	3000	2904	5904
11	2641	2653	5293
12	3607	3970	7576
13	7105	7219	14325
Grand Total	55463	53327	108790

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1.2.5 HOUSEHOLD PROFILE

The total number of households within the municipal area increased from **20312** households in 2011/12 financial year as per census 2011 data to a total of **21572** households in 2012/13 financial year. Household data is based on the number of accounts issued as per the financial management system.

Households		2009/10	2010/11	2011/12	2012/13
Number of households in municipal area		22056	22906	20312	21572
Number of indigent households in municipal area		5911	5289	6157	5749
Percentage of indigent households in municipal area		26.80%	23.09%	30.3%	26.65

1.2.6 SOCIO-ECONOMIC STATUS

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate (%)	Households with No Income (%)	Average pass rate for numeracy and literacy (%)
8 467	42	31	77.6

1.2.7 OVERVIEW OF TOWNS/WARDS

TOWN	CENSUS 2001			CENSUS 2011			
	WARD	POPULATION	POPULATION	POPULATION	NUMBER OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS (FARMS)	% GROWTH
RIVIERSONDEREND	1	8534	9256	1477	1234		8.46
GREYTON (Bosmans kloof & Heuwelkroon)	2	12304	8443	2582	0		-31.38
GENADENDAL (Genadendal, Bereaville & Voorstekraal)							
CALEDON (Myddleton, Bersig, Uitsig, part of Caledon Town, Station and industrial area)	3	6566	11174	2805	0		70.17
CALEDON (Tesselaarsdal & part of Caledon Town)	4	9847	7102	859	1353		-27.88
VILLIERSDORP (Elandskloof, High Noon, Helderstroom and part of Villiersdorp Town)	5	9078	11627	1134	1621		28.08
VILLIERSDORP (TWK Dam Estate, Dennehof, Nuwedorp, Informal Settlements and Part of	6	8252	6805	2245	0		-17.53

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TOWN	WARD	POPULATION	POPULATION	NUMBER OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS (FARMS)	% GROWTH
BOTRIVIER (Botriver, Lebanon and De Rust)	7	10320	8223	1579	514	-20.32
GRABOUW (Rooidakke, City Council, Jagersvlakte, Elgin Timbers, Proefplaas, Applegarth, Eikenhof, country Club)	8	2661	5066	1029	0	90.37
GRABOUW (Nuweberg, Greymead, Vyeboom)	9	18244	7995	126	1467	-56.18
GRABOUW (Elgin, The Valley, Monteith & Arriskraak)	10	7473	5904	0 (FARM)	1397	-20.99
GRABOUW (Pineview, Beverley Hills, Waterworks & Nuwedorp)	11	N/A	5293	1552	0	
GRABOUW (Xhola Naledi, Hillside, Oudebrug &)	12	N/A	7576	1127	506	
GRABOUW (Grabouw CBD, Klipkop, Molteno Park, Elfco, Melrose Place, Siteview, Dennekruin, Industrial Area &)	13	N/A	14325	3796	0	
Total		93276	108790	20311	8093	14%

1.2.8 NATURAL RESOURCES

Major Natural Resource	Relevance to Community
Botrivier – Boreholes	Drinking water source
Theewaterskloof Dam	A natural source and serves City of Cape Town with drinking water as well as a recreational facility eg. Boating, fishing etc.
Grabouw – Wesselsgat Dam and the Eikenhof Dam on the Klipdrift River	A natural resource and serves as recreational facility for kickboat fishing, camping as well as for irrigation.
Genadendal – Supplied from the Weir situated in the Bavians River	Serves as natural resource for drinking water only for Genadendal.
Voorstekraal – Weir from a perennial mountain stream	A natural resource that serves Voorstekraal with drinking water only
Bereaville – Weir from a perennial mountain stream	A natural resource that serves Bereaville with drinking water only
Boschmanskloof – Obtains water from a perennial mountain stream	A weir was constructed to the North of the Residential area and serves as natural resource for Boschmanskloof.

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Major Natural Resource	Relevance to Community
Greyton - Supplied from a weir on the Wolwekloof mountain stream and a weir on the Gobos River. Irrigation water is abstracted from the Plattekloof and Noupoot streams	Natural Mountain Streams and serves as drinking and leiwat for Greyton
Tesselaardsdal - Borehole and Weir from a non-perennial mountain stream.	Natural Mountain Streams and manmade boreholes serves as drinking water for Tesselaardsdal
Bethoeskloof - Supplied from the Borehole in Tesselaardsdal and a weir from the Bethoeskloof Stream	Natural Mountain Streams and manmade boreholes serves as drinking water for Bethoeskloof
Riviersonderend - Supplied from weir in the Olifantskloof and the Sonderend River	Natural Resource that serves Riviersonderend with drinking water
Villiersdorp - Supplied from the Elanskloof Dam, Kommissiekraal River and 4 boreholes that is not working at the moment	Natural Mountain Streams and manmade boreholes serves as drinking water for Villiersdorp as well as irrigation
Greyton Nature reserve in the mountains of Greyton including all hiking trails in mountain and adjacent Gobos river as well as the famous Mc Greggor hiking trail	Great attraction for tourism, hiking and day visitors. Beautiful scenery and indigenous plants
Caledon wild flower gardens and Nature reserve	Great attraction for tourism, and hiking and day visitors Beautiful scenery and indigenous plants Also visit the Botanical gardens for a variety of plants and tree's
Kogelberg Biosphere reserve	Great attraction for tourism, and hiking and day visitors Beautiful scenery and indigenous plants
Riviersonderend klein Swart berg mountain	Great attraction for tourism, and hiking and day visitors. Beautiful scenery and indigenous plants

1.3. SERVICE DELIVERY OVERVIEW

In order to enhance the standard of service delivery within the communities and at the same time achieve customer satisfaction by managing community's expectations, the Municipality re-launched its Service Level Agreements with its communities. The aim of the SLA's is to set uniform, realistic, reasonable, and affordable service levels for the delivery of basic services within all towns and to monitor performance collectively and take remedial steps or action(s). The purpose of the re-launch was firstly to review existing agreements and secondly to reach new agreements.

There is no backlog with respect to access to basic water and sanitation services in the urban areas of the municipal area. It is however estimated that there might still be households on the farms and informal settlements with existing service levels below RDP standards.

What still remain as major challenges in addressing backlogs is:

- ❖ Financial Sustainability- TWK is situated in a socio-economic deprived environment with limited financial resources
- ❖ The outcome of Census 2011- Real chance exists that there might be a possible undercount and this could have a major impact in addressing the Financial Sustainability of the municipality. In terms of previous figures and demographic statistics as well as the drastic growth in needs of service delivery and the growth in the utilization of infrastructure, such as purified water and sewerage processing plants, the figure is closer to 120 000.

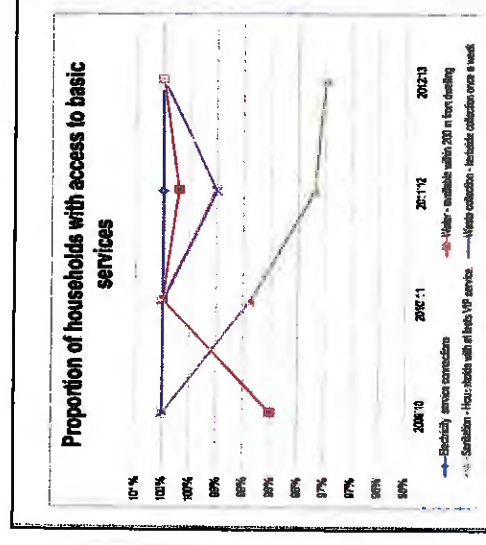
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- ❖ The delivery of services in rural areas (farms) and in areas such as Klein Begin, Lebanon and Nuweberg which fall outside the municipal jurisdiction. The issues experienced here, revolve around ownership and affordability.
- ❖ The immigration of people into Towns such as Villiersdorp and Grabouw make it difficult to manage the informal settlements with respect to the provision of services.

1.3.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The table and graph below gives an indication of the proportion of households with minimum levels of basic services.

Proportion of Households with minimum level of Basic services	2009/10	2010/11	2011/12	2012/13
Electricity service connections	100%	100%	100%	100%
Water - available within 200 m from dwelling	98%	100%	100%	100%
Sanitation - Households with at least VIP service	100%	98%	97%	97%
Waste collection - kerbside collection once a week	100%	100%	99%	100%



1.4. FINANCIAL HEALTH OVERVIEW

Theewaterskloof Municipality is considered a poor municipality. In order to change this council adopted "Financial Sustainability" as their primary task during their term of office.

Some of the fundamental problems facing TWK are the out dated fiscal model, a range of unfunded mandates and errors in the recent census results.

Much effort is however made in improving our revenue collection rate. We had to optimise our available institutional capacity. This has been done through the implementation of a range of cost saving projects as well as measuring the productivity of some of the municipality's key functions.

Chapter 1

1.4.2 FINANCIAL OVERVIEW

Financial Overview: Year 2012/13					R' 000
Details	Original budget	Adjustment Budget	Actual		
Income:					
Grants	139 885	154 582			147 126
Taxes, Levies and tariffs	187 844	184 567			179 574
Other	31 782	35 023			50 578
Sub Total	359 511	374 172			377 278
Less: Expenditure	283 213	300 665			365 057
Net Total*	76 298	73 507			12 221

1.4.2 OPERATING RATIOS

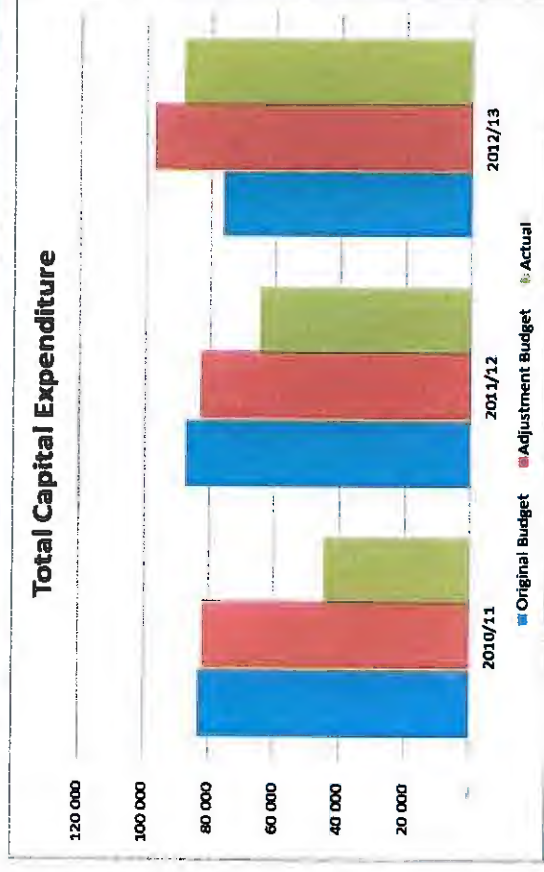
Operating Ratios		
	Detail	%
Employee Cost		29.95%
Repairs & Maintenance		4.89%
Finance Charges & Impairment		5.82%

The norm for Employee Related Cost of the Total Operating Budget is 35%. The 30% attained is within the National Norm. To put our personnel expenses in context, we must look at the per capita personnel costs. Theewaterskloof's ratio indicates one official for 192 people.

1.4.3 TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure				R'000
	Detail	2010/11	2011/12	2012/13
Original Budget		83 052	87 304	76 078
Adjustment Budget		82 043	82 951	97 519
Actual		44 623	64 898	88 401

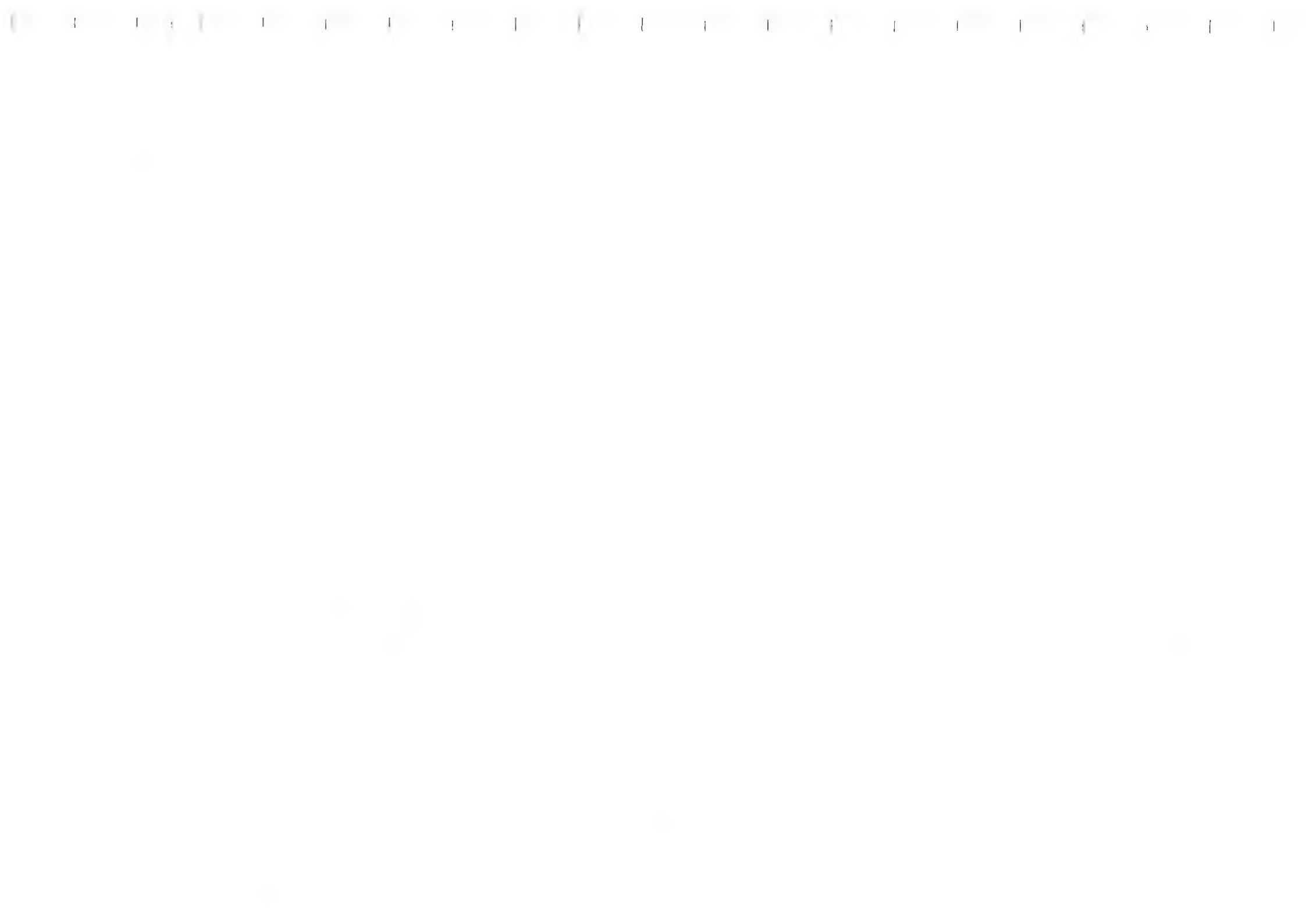
Chapter 1



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The objective of Organisation Development is to improve the municipality's capacity in order to give effect to its service delivery mandate. This includes improved more effective communication, more effective decision processes, more appropriate leadership style, improved skill in dealing with conflict, and higher levels of trust and cooperation among staff members. The workplace skills plan of the municipality has as its main aim the achievement of cost effective and efficient service delivery as well as:

1. Providing learning opportunities for staff as well as members of the community through our learnership programmes
2. Providing opportunities for each staff member to develop to his / her full potential.
3. Seeking to increase the effectiveness of the municipality in terms of all of its strategies, objectives and goals.
4. Providing opportunities for staff to influence the way in which they relate to work, the municipality, and the environment.



Chapter 1

1.6. STATUTORY ANNUAL REPORT PROCESS

PROCESS	DATE
AR & FS to AG	31 August 2013
Submit 2012/2013 Draft Annual Report and Financial statements to AG. Compile and submit Municipal Audit file to the Auditor General	
Table Draft AR & AFS	23 January 2014
Mayor tables draft AR and AFS at council	
Advertise draft AR & AFS for public input	27 January 2014 – 21 February 2014
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	27 January 2014
1st Oversight Committee Meeting	10 February 2014
Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	
Portfolio Committee Meeting	4;5 & 17 February 2014
Submit Draft AR to Portfolio Committees for inputs	
2nd Oversight Committee Meeting	3 March 2014
Public hearings -The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	
3rd Oversight Committee Meeting	7 March 2014
Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00)	
Oversight & Annual Report	20 March 2014
Adoption of Oversight report on AR & AFS by council	
Advertise approved Annual report- Place on Municipal Website	24 March 2014
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	24 March 2014



Chapter 2

CHAPTER 2 – GOVERNANCE

Good governance has 8 major characteristics namely, participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive which follows the rule of law. Through this corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

2.1 POLITICAL GOVERNANCE

MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The council performs both legislative and executive functions, with focus on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Council's primary role is to debate issues publicly and also to facilitate political debate and discussion. Apart from their functions as decision makers, councilors are also actively involved in community work as well as various social programmes in the municipal area.

The political Governance structure with respect to key committees is fairly well established and functional. These committees include:

- The Executive Mayoral Committee
- The Portfolio committees
- The Audit and Performance Audit committee
- Risk Committee
- Budget committee
- Oversight Committee

Chapter 2

2.1.1 POLITICAL STRUCTURE

MAYOR: Alderman: C.B. Punt	Function <ul style="list-style-type: none"> • Is the Executive and Political Leader of the Municipality • Is the Social and Ceremonial Head of Council • Is the Chief Advisor of Council • Responsible for identifying the needs of the Municipality • Must monitor the Administrator • Supervises the delivery of services • Report to Council • Budgetary responsibilities
DEPUTY MAYOR: Cllr: M Tshaka	The Deputy Mayor acts in the absence of the Executive Mayor
SPEAKER: Cllr: C Vosloo	Is the chairperson of the Municipal Council and as such is authorized to dictate the proceedings during council meetings, though subject to the order rules, common law and constitutional prescripts. The Speaker is accountable to and reports to the Municipal Council. The Speaker must also ensure compliance with the Code of Conduct.
CHIEF WHIP: M Hector (DA) C November (ANC)	Leads the Caucus meetings before Council meetings.
MAYORAL COMMITTEE: M Tshaka G Carelse P Stanfliet N De Wet K Papier	Portfolio Chair: Corporate Services Portfolio Chair: Development Services Portfolio Chair: Technical Services Portfolio Chair: Finance Services Portfolio Chair: Operations Services The Mayoral Committee assist the Executive Mayor , serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers

Chapter 2

2.1.1.2 COUNCILLOR PROFILE

Below is a table that categorised the councillors within their specific political parties and wards:

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Alderman C B Punt	Fulltime	EMC	DA	80%	100%
Councillor C Vosloo	Fulltime	Speaker	DA	100%	
Councillor P U Stanfliet	Fulltime	Technical Services EMC	Ward 7 DA	90%	100%
Councillor M Tshaka	Fulltime	Corporate Services EMC	Ward 13 DA	100%	
Councillor K Papier	Fulltime	Operational Services EMC	Ward 3 DA	100%	
Councillor G Carelse	Fulltime	Development Services EMC	COPE	90%	100%
Councillor N De Wet	Fulltime	Financial Services Audit Committee EMC	Ward 5 DA	100%	
Councillor N Pieterse	Part Time	Corporate Services Oversight Committee	Ward 9 DA	90%	100%
Councillor M Nongxaza	Part Time	Corporate Services	NICO	80%	100%
Councillor J Nellie	Part Time	Corporate Services	Ward 6 ANC	80%	100%
Councillor F Mankayi	Part Time	Corporate Services	ANC	80%	100%
Councillor M Koegelenberg	Part Time	Financial Services Oversight Committee (Chair)	Ward 4 DA	90%	100%
Councillor M Mathews	Part Time	Financial Services	Ward 11DA	90%	100%
Councillor S Witbooi	Part Time	Financial Services	ANC	80%	100%
Councillor J Hendricks	Part Time	Financial Services Oversight Committee	ANC	80%	100%
Councillor M Plato	Part Time	Development Services Oversight Committee	Ward 10 DA	100%	
Councillor I Sileku	Part Time	Development Services	DA	100%	
Councillor P de Wet	Part Time	Development Services	ANC	70%	100%
Councillor U Sipunzi	Part Time	Development Services	Ward 12 ANC	60%	100%
Councillor K Tiemie	Part Time	Technical Services	Ward 1 DA	90%	100%
Alderman C November	Part Time	Technical Service	ANC	40%	100%
Councillor C Thembani	Part Tim	Technical Service	Ward 8 ANC	80%	100%
Councillor J Swartz	Part Time	Operational Services	NNP	90%	0%
Councillor M Hector	Part Time	Operational Services	Ward 2 DA	90%	100%
Councillor A Cupido	Part Time	Operational Service Oversight Committee	ANC	70%	100%

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2.1.3 POLITICAL DECISION TAKING

A total of 163 items was adopted by council during the course of the financial year under review. The status of outstanding resolutions is reported quarterly to council.

2.2 ADMINISTRATIVE GOVERNANCE

MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal manager is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team.

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Management Team Structure is outlined in the table below:

Name of Official	Department	Performance agreement signed	
		(Yes/No)	
Horace Wallace	Municipal Manager	Yes	
Joseph Isaacs	Director Corporate Services	Yes	
Davy Louw	Director Finance	Yes	
Monwabisi Gxoyiya	Director Development	Yes	
Jan Barnard	Director Operations	Yes	
Conrad van Heerden	Director Technical Services	Yes	

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.

2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental structures give effect and concrete expression to inter departmental communication.

The municipality participates with the following structures that deal with transversal matters:

NATIONAL INTERGOVERNMENTAL STRUCTURES	TYPE OF PARTICIPATION AND BENEFITS DERIVED
Local Government ICT (LGICT) Network (Please note that this is mainly an "open online forum", although there are special meetings, workshops and events being scheduled across the country)	The LGICT Network is a service hosted by SALGA that provides: <ul style="list-style-type: none"> • a real-time platform for information exchange, networking and collaboration for ICT Managers in local government. • a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "hunks from the grain".
PROVINCIAL INTERGOVERNMENTAL STRUCTURES	TYPE OF PARTICIPATION AND BENEFITS DERIVED
IDP Managers Forum	<p>Reflect on IDP Indaba processes</p> <p>Reflect on the impact of the IDP Analysis process;</p> <p>Discuss processes and methodologies that should guide the annual IDP review;</p> <p>Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified.</p>
Records Managers Forum	<p>Discuss processes and methodologies that should guide the records management in Theewaterskloof Municipality in terms of the National Archives Act;</p> <p>Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified in the records management processes.</p> <p>Discuss problems identified in municipalities in respect of records management and received inputs from other municipalities or governmental bodies how to address these problems.</p>
SALGA Provincial HR Development Working Group	<ul style="list-style-type: none"> • A platform for Councilors within the Province to give input into collective bargaining as well as policy issues. • This forum also receives feedback from National and Provincial Bargaining Forums. • It is also a platform for information sharing and to discuss issues of mutual interest;
HR Practitioners Forum	<ul style="list-style-type: none"> • A forum used to draft policy, give input into various topics such as legislation, agreements

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	<ul style="list-style-type: none"> • This forum also serves as a platform for HR managers to network and share best practice • Receive feedback from SALGA in respect of negotiations etc.
Chief Audit Executive Forum	Discuss methodologies, standards, challenges and serves as an information sharing platform.
Western Cape Local Government ICT Managers Forum	<ul style="list-style-type: none"> • To create a platform for ICT Managers to discuss ICT- specific issues • To create a space for information sharing, knowledge exchange and inter-provincial cross pollination • To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication • To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and • To achieve standardization for benchmarking and reporting purposes on critical activities.
MPRA focus group	Discuss processes and methodologies that should help to be compliant with the MPRA. Serve as a platform where compliant issues and information are shared and gaps are identified. Discuss court cases of other municipalities to prevent from happening in Theewaterskloof municipality
Provincial Public Participation and Communication Forum	Public Participation practitioners learn from each other by discussing lacks and good practices. Information sharing forum Discussion of new methods to improve Public participation
DISTRICT INTERGOVERNMENTAL STRUCTURES	TYPE OF PARTICIPATION AND BENEFITS DERIVED
District IDP Managers Forum	<ul style="list-style-type: none"> • A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
IDP Rep/PPCOM Forum Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> • A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Theewaterskloof Municipality makes use of the Ward Committee structure with respect to public accountability and participation,

The purpose of the Ward Committee structure is to assist Ward Councilors with organizing, consulting, spreading of information to encourage participation from the residents within the Wards.

The Ward Committee:

- Is an advisory Body.
- Is a representative structure.
- Is independent; and
- Must be impartial and perform its functions without fear, favor or prejudice.

There are 13 Wards within the Theewaterskloof Municipal area.

2.4 PUBLIC MEETINGS

Theewaterskloof Municipality engagements in different methodologies to ensure adequate public participation, which include:

- Tradition public meetings with wards committees, Town advisory forums, Service level agreement advisory forum (SLAAF), stakeholder groupings etc.
- Surveys (baseline assessments)
- Monthly news letters

Such participation is required in terms of:

- The preparation, implementation and review of the IDP and budget;
- Establishment, implementation and review of the performance management system;
- Monitoring and reviewing of the performance which include the outcome and impact of such performance; and
- Setting of service level standards
- Information sharing which relates to capital projects implementation

Theewaterskloof Municipality utilises its ward committees and Town Advisory forums as the primary consultative structure and access points to ensure public participation and accountability.

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2.4.1 WARD COMMITTEES

The ward committee is in the main a service delivery management mechanism. This body guides the Town Manager in terms of local service delivery needs, priorities, standards and also acts as the representative monitoring body through which the local community can monitor service delivery implementation, progress and general performance. The successful functioning of the Town Management model is to a large extent reliant on the successful functioning of the Ward Committee system.

The Local Government: Municipal Structures Act, 1998 provides for the establishment of ward committees.

2.4.2 FUNCTIONALITY OF WARD COMMITTEES

The primary function of a ward committee is:

- To assist the ward councillor in understanding the needs and the views of the community;
- To be a formal communication channel between the community and the municipal council;
- To raise issues of concern about the local ward to the ward councillor and;
- To make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

A ward committee should consist of up to ten members who serve as volunteers and may represent a certain sector. Examples of such sectors are:

- women's groups or;
- ratepayers associations;
- geographic areas
- Community within the ward.

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Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Riviersonderend (Ward 1)	K Tiemie (Councillor)	yes	8	2	none	
	A Mouton					
	V Fisher					
	E Filies					
	N Ndleleni					
	M Kroukamp					
	C Sandenbergh					
Greyton & Genadendal (Ward 2)	W Pretorius					
	M L Hector (Councillor)	yes	9	2	none	
	P Hill					
	C Smith					
	G Juries					
	J Coert					
	A Magerman					
Caledon (Ward 3)	C Windvogel					
	K Papier (Councillor)	yes	6	2	1	
	T Fortuin					
	W Simons					
	S Swarts					
	K Hoffman					
	E van der Ventel					
Caledon (Ward 4)	A De Bruin					
	N Jende					
	L Oliver					
	M Koegelenberg (Ward Councillor)	yes	6	2	none	
	A Du Plessis					
	Watton					
	A Rossouw					
J Norval						
M Wessels						
S Young						

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Ward Name (Number)	Name of Ward Councillor and committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	J Hauman				
Villiersdorp (Ward 5)	N De Wet (Ward Councillor)	yes	8	2	none
	L Pompe van Meerdervoort				
	D Fyfer				
	H van Kemp				
	H Schoeman				
	C Nel				
	B Davids				
Villiersdorp (Ward 6)	N Kiewiedo				
	T Sihoyo				
	N Jaftha				
	J Nellie (Ward Councillor)	yes	6	2	none
	S Ntantiso				
	T van Rooyen				
	H Schoeman				
Botrivier (Ward 7)	J Lakey				
	V Hendricks				
	J Mckenzie				
	R Brinkhuys				
	P U Stanfliet (Ward Councillor)	yes	5	2	none
	J Van Niekerk				
	C Mc Cann				
Grabouw (Ward 8)	N Greeff				
	B Oliver				
	I Andries				
	A Linters				
	C Thembani (Ward Councillor)	yes	7	2	none
	Jiba				
	M Mothibe				
Ward Name	T Kanetsi				
	T Tsetse				
	Name of Ward	Committee	Number of	Number of	Number of

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(Number)	Councillor and elected Ward committee members	established (Yes / No)	monthly Committee meetings held during the year	monthly reports submitted to Speakers Office on time	quarterly public ward meetings held during year
Grabouw (Ward 9)	E Mars				
	P Louw				
	M Mosolo				
	N Pieterse (Ward Councillor)	yes	5	2	none
	I Van As				
	W Hess				
	K Davids				
	L Kruger				
	B Engelbrecht				
	J Ambros				
Grabouw (Ward 10)	M Plato (Ward Councillor)	yes	7	2	none
	M Aploon				
	J Rawboue-Viljoen				
	W Adam				
	W Williams				
	R Fisher				
	J De Bruin				
	M Mathews (Ward Councillor)	yes	7	2	none
	N Meyer				
	R Johnson				
Grabouw (Ward 11)	J Fortuin				
	K Thezaphi				
	Q Bosman				
	P Kwaza				
	S Bidi				
	U Sipunzi (Ward Councillor)	yes	9	2	none
	M Liwani				
	A Inyinbor				
	C Absalom				
Grabouw (Ward 12)					

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Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Grabouw (Ward 13)	L Madizeni				
	S Daniels				
	A Hoorn				
	W Nomxhanya				
	N Hans				
	M Nooi				
	H Syster				
	M Tshaka (Ward Councillor)	yes	9	2	none
	S Mfinswana				
	A Kortje				
	L Vosloo				
	S Baba				
	M le Roux				
	M Ontong				
	M Bhangazana				
	J Fourie				

2.4.3 PUBLIC MEETINGS

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner feedback given to community
IDP Review	6-Nov-12	2 Cllrs	7	88	Ward baseline
IDP Review	6-Nov-12	1 Ward Cllr	7	34	assessment
IDP Review	6-Nov-12	1 Ward Cllr	6	54	presented together
IDP Review	7-Nov-12	1 Ward Cllr	5		with draft IDP as
IDP Review	7-Nov-12	1 Ward Cllr	7	40	per ward
IDP Review	8-Nov-12	2 Cllrs	5	112	requirements
IDP Review	8-Nov-12	3 Cllrs	7	92	
IDP Review	8-Nov-12	1 Ward Cllr	6	65	

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IDP Review	12-Nov-12	1 Ward Cllr	8	139	Dates and manner of feedback given to community
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	
IDP Review	12-Nov-12	1 Ward Cllr	6	112	
IDP Review	12-Nov-12	1 Ward Cllr	5	11	
IDP Review	13-Nov-12	1 Ward Cllr	6	157	
IDP Review	13-Nov-12	1 Ward Cllr	6	113	
IDP Review	14-Nov-12	1 Ward Cllr	6	77	
Draft IDP/ Budget 2013/ 2014: Ward 1	8-Apr-13	3 Councillors	7	117	To provide general feedback whilst the Director Finance inform the community of basic and key aspects and matters in the Budget. Also to give a brief overview of town and ward IDPs and processes
Draft IDP/ Budget 2013/ 2014: Ward 2	9-Apr-13	1 Ward cllr	7	86	
Draft IDP/ Budget 2013/ 2014: Ward 3	10-Apr-13	1 Ward cllr	7	136	
Draft IDP/ Budget 2013/ 2014: Ward 4	11-Apr-13	1 Ward cllr	6	13	
Draft IDP/ Budget 2013/ 2014: Ward 9	11-Apr-13	1 Ward cllr	7	22	
Draft IDP/ Budget 2013/ 2014: Ward 5	15-Apr-13	2 Councillors	8	17	
Draft IDP/ Budget 2013/ 2014: ward 4 Tesselaaarsdal	15-Apr-13	1 Councillor	6	50	
Draft IDP/ Budget 2013/ 2014: Ward 6	16-Apr-13	2 Councillors	9	62	
Draft IDP/ Budget 2013/ 2014: Ward 7	17-Apr-13	1 Councillor	9	48	
Draft IDP/ Budget 2013/ 2014: Ward 8	25-Apr-13	1 Councillor	7	38	
Draft IDP/ Budget 2013/ 2014: Ward 10	22-Apr-13	1 Councillor	6	19	
Draft IDP/ Budget 2013/ 2014: Ward 11	23-Apr-13	2 Councillor	5	117	
Draft IDP/ Budget 2013/ 2014: Ward 12	24-Apr-13	2 Councillors	7	83	
Draft IDP/ Budget 2013/ 2014: Ward 13	25-Apr-13		6	143	

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2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*		Yes/No
Does the municipality have impact, outcome, input, output indicators?		Yes
Does the IDP have priorities, objectives, KPIs, development strategies?		Yes
Does the IDP have multi-year targets?		Yes
Are the above aligned and can they calculate into a score?		Yes
Does the budget align directly to the KPIs in the strategic plan?		Yes
Do the IDP KPIs align to the Section 57 Managers		Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?		Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes		Yes
Were the indicators communicated to the public?		Yes
Were the four quarter aligned reports submitted within stipulated time frames?		Yes

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The Council has committed the Theewaterskloof Municipality to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA), Act no 56 of 2003 and other legislation applicable to local government.

Structured Risk Management is recognized as an integral part of responsible management and the Municipality therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Municipality's Risk Management Strategy. It is expected that all departments / sections, operations and processes will be subject to the risk management strategy. It is the intention that these departments / sections will work together in a consistent and integrated manner, with the overall objective of reducing and avoiding risk, as far as reasonably practical.

Effective risk management is imperative to the Municipality to fulfill its mandate, the service delivery expectations of the public and the performance expectations within the Municipality.

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The responsibility to ensure effective management of risk in the Theewaterskloof Municipality rests with all employees. Our commitment to risk management is an expression of our commitment to the Batho Pele principles.

The Municipality's risk appetite is set at 12, which means that all risks with a rating of 12 and higher requires a Treatment and Action Plan. The top four (4) strategic risks and top two operational risks of the Municipality are indicated in the table below:

Top Strategic Risks

Risk Description	Mitigation Guidance	Controlled Risk Rating
Influx of Unemployed, unskilled and Homeless people	Accordingly the remedies will also be fundamentally the same as in service delivery	16
Cost of Regulation and Compliance Requirements	Through SALGA Exercising pressure to review standards in accordance with realities Ensure minimum compliance and creating dedicated capacity which will cause minimum disruption of core business activities Project manage in order to Ensure that we act pro- actively, avoid crisis situations and reduce effort to the minimum	16
Potential Low or No Productivity	Assess productivity levels and launch a productivity improvement campaign and initiative	16
Managing Talent (Recruiting & Retaining staff)	Develop and implement a strategy that will make the TWK a true employer of choice Develop and introduce a strategy which will address the impact of the inevitable losing of certain key skills and staff that will limit the impact	12

Top Operational Risks

Risk Description	Mitigation Guidance	Controlled Risk Rating
Slow or No Recovery of Potential Revenue	Debt collection & Credit control plays a significant role in this risk. Whenever a debtor moves past the 30day margin services should be stopped until the account is settled in full. Also where arrangements are not met the same route should be followed. This has a negative influence on the cash flow of the municipality.	12
Lack of Accurate Data/ (Accuracy of Bill)	Re engineer process and detailed verification of data and sources of data and instituting mechanisms that will ensure that data is effectively and efficiently maintained	12

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2.7 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism as well as unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

Theewaterskloof Municipalities **Anti-Corruption Policy** was **adopted** by council in **November 2008** and **reviewed on 28 October 2011**.

One of the main purposes of an Anti-Corruption policy is to ensure that the Municipality is in compliance with the Municipal Systems Act, Act No. 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

2.7.1 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to -

- internal financial control;
- risk management;
- performance management; and
- Effective governance.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003, Local Government Municipal and Performance Management Regulation, 2001 and the office of the Auditor-General:

- To advise the Council on all matters related to compliance and effective governance;
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual DORA and other applicable legislation;
- Respond to the council on any issues raised by the Auditor-General in the audit report;
- To review the quarterly reports submitted to it by the internal audit;
- To evaluate audit reports pertaining to financial, administrative and technical systems;
- The compilation of reports to Council, at least twice during a financial year;
- To review the performance management system and make recommendations in this regard to Council;
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimized;

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- To review the annual report of the municipality;
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section

The municipality's Audit Committee Recommendations for 2012/2013 financial year are as follows:

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)
30-Aug-12	Audit work completed and planned	Yes
30-Aug-12	Housing Management Review	No - Referred to Special Audit Committee meeting
30-Aug-12	Risk Management Review	Yes
30-Aug-12	Fleet Management Review	Yes
30-Aug-12	Supply Chain Management Review	Yes
30-Aug-12	Internal Audit Follow-up Reports	Yes
30-Aug-12	Auditor General Report Follow-up	Yes
30-Aug-12	4th Quarter Performance Assessment	Yes
30-Aug-12	LG Finance Governance Review	Yes
30-Aug-12	Meeting schedule	Yes
30-Aug-12	Annual Financial Statements	Yes
26-Oct-12	Housing Management Review	Yes
26-Oct-12	Internal Audit Plan (revised)	Yes
23-Nov-12	Audit work completed and planned	Yes
23-Nov-12	Supply Chain Management 4th Quarter Review	Yes
23-Nov-12	Municipal Finance Management Act Compliance	Yes
23-Nov-12	Division of Revenue Act Compliance	No - Referred back for further investigation by Internal Audit and additional comments from Management
23-Nov-12	Internal Audit Follow-up Reports	Yes
23-Nov-12	1st Quarter Performance Assessment	Yes
7-Dec-12	Report by the Chairperson of the Performance- and Audit Committee for the 2011/2012 Financial Year	Yes
7-Dec-12	Auditor General's Report for the 2011/2012 Financial Year	Yes
7-Dec-12	Feedback on Internal Audit Findings in terms of Risk Management	Yes
18-Jan-13	2011/2012 Annual Report	Yes
22-Feb-13	Audit work completed and planned	Yes
22-Feb-13	Traffic Audit	Yes
22-Feb-13	Overtime Audit	Yes
Date of Committee	Committee recommendations during Year 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)

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22-Feb-13	Distribution Losses Audit	Yes
22-Feb-13	Internal Audit Follow-up Reports	Yes
22-Feb-13	2012/2013 Mid- Year Budget and Performance Assessment	Yes
22-Feb-13	Supply Chain Management Q1 & Q2	Yes
7-Jun-13	Audit work completed and planned	Yes
7-Jun-13	Credit Control and Debt Collection Audit	Yes
7-Jun-13	Municipal Systems Act and Municipal Structures Act Compliance	Yes
7-Jun-13	Building and Zoning Review	Yes
7-Jun-13	Supply Chain Management 3rd Quarter Review	Yes
7-Jun-13	Maintenance on Proclaimed Roads	Yes
7-Jun-13	Division of Revenue Act Compliance	Yes
7-Jun-13	Sundry Income Review	Yes
7-Jun-13	Internal Audit Follow-up Reports	Yes
7-Jun-13	Auditor General's Report Follow-up	Yes
7-Jun-13	Third Quarter Performance Assessment	Yes
7-Jun-13	Internal Audit Approach and Methodology	Yes
7-Jun-13	2013/2014 Internal Audit Budget	Yes
7-Jun-13	Internal Audit Evaluation	No - Referred back for Audit Committee to discuss the evaluations from the members further and submit only one evaluation.
7-Jun-13	Performance- and Audit Committee Evaluation	Yes
7-Jun-13	Risk Register 4th Quarter 2012/2013	No - Referred back to the next meeting where the Manager: Risk should present it to the Audit Committee
7-Jun-13	Annual Risk Based Internal Audit Plan 2013/2014	Yes
7-Jun-13	Meeting Schedule	Yes
7-Jun-13	Risk Committee Minutes	Yes
7-Jun-13	ICT Report to Audit Committee	Yes

2.8 SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Local Government: Municipal Finance Management Act, No 56 of 2003, (MFMA) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

The accounting officer submits a report on the implementation of the SCM policy monthly to council.

Council has duly delegated the implementation of the Supply Chain Management Policy to the Accounting Officer who is responsible for taking all reasonable steps to ensure that proper mechanisms and separation of duties in

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the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices

Supply Chain Management processes

The following thresholds are currently being adhered to in order to support the strategic and operational commitments of the municipality:

(i) Petty cash purchases

Goods are purchased by way of petty cash purchases, up to a transaction value of R150 (VAT included).

(ii) Written or verbal quotations

Goods and services are procured by way of written or verbal quotations for a transaction value over R150 up to R30,000 (VAT included).

(iii) Formal written price quotations

Goods and services must be procured by way of formal written price quotations for procurements of a transaction value over R30,000 up to R200,000 (VAT included).

(iv) A competitive bidding process

Goods and services are procured by way of a competitive bidding process for-

- Procurement above a transaction value of R200 000 (VAT included); and
- The procurement of long term contracts.

2.9 BY-LAWS

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

The following bylaws were approved by council:

By-Laws Introduced during 2012/13				
		Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Date of Public Participation	By-Laws Gazetted* (Yes/No)
Newly Developed	Revised			
Stormwater	4 July 2012	yes	September 2012	yes
				October 2012



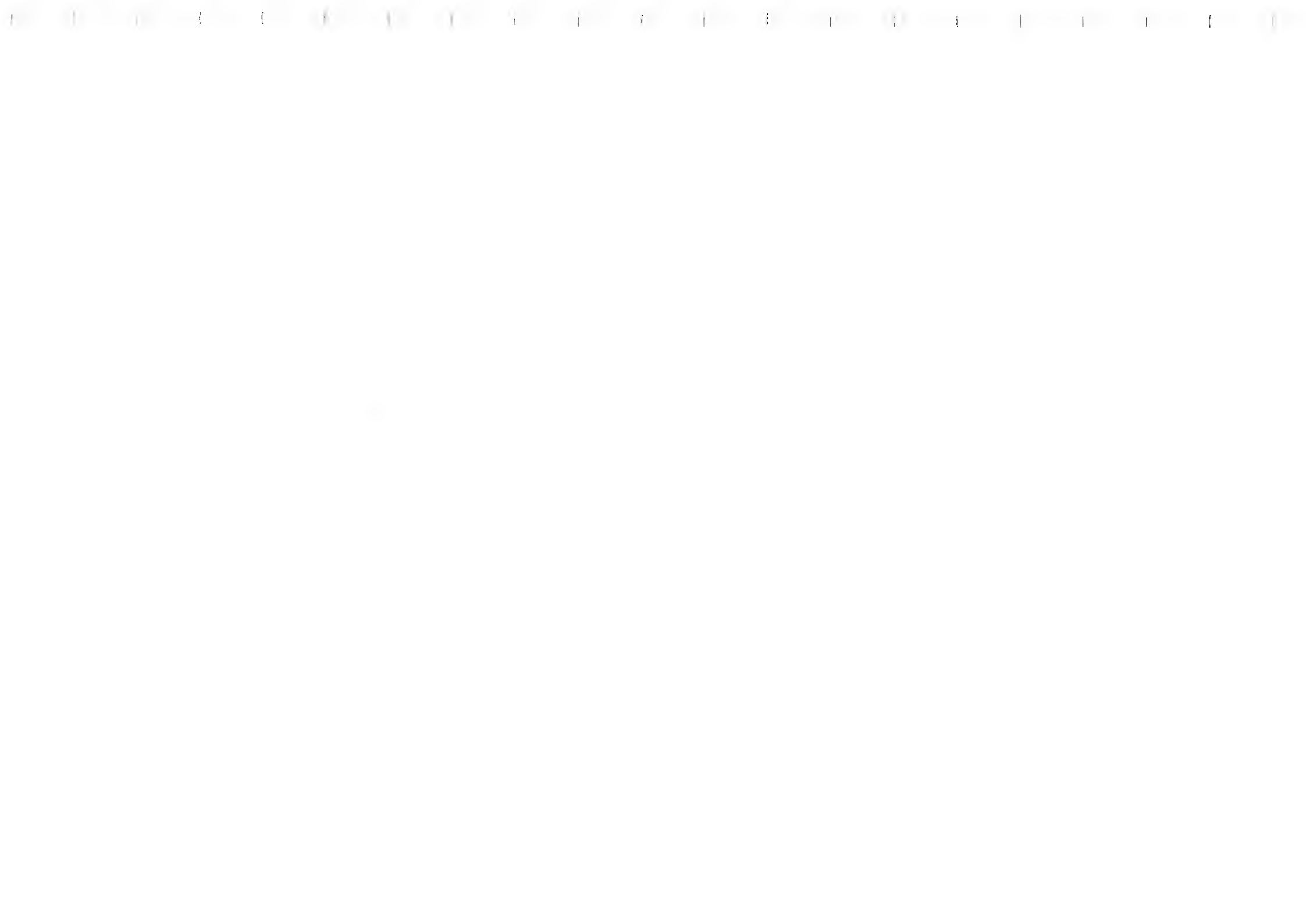
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2.10 WEBSITES

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's/Entity Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	28-05-2012 Final Budget 23-08-2012 (Adjustment Budget) 28-02-2013 (Adjustment Budget)
All current budget-related policies	Yes	28-05-2013
The previous annual report (2011/12)	Yes	27-01-2013 to 22-01-2013
The annual report(2012/13)/to be published	Yes	27-01-2014 to 21-01-2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	03-09-2013
All long term borrow contracts (Year 0)	Yes	01-02-2013
All supply chain management contract above a prescribed value (give value) for Year 0	Yes	All contracts above R30,000 is published on the website monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		N/A
Public- private partnership agreements referred to in section 120 made in Year 0		N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	12-10-2012 31-01-2013 30-05-2013 27-07-2013
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are m of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments		



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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter will provide information on the functional and strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical.

The functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and relevant Functional Area reporting schedules.

The key functions of the Municipality are as follows:

Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes (ODM)
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	Yes (ODM)
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes (ODM)
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes (ODM)
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes

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Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes (ODM)
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes (ODM)
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes (ODM)
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The top layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents, (IDP, Budget and Performance Agreements).

In the table below, the performance achieved is illustrated against the Top Layer SDBIP per directorate.

	KPI Not Yet Measured	KPI Not Met	KPI Almost Met	KPI Met	KPI Well Met	KPI Extremely Well Met	Total
Executive and council	0	2	0	5	0	0	7
Finance	0	1	2	4	1	2	10
Corporate	0	5	0	9	1	0	15
Development	0	8	2	9	0	2	21
Technical	0	13	1	12	6	0	32
Operations	0	2	7	9	0	0	18
Total	0	31	12	47	9	4	103

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The following table explains the method by which the overall assessment and actual performance against targets set for the key performance indicators (KPI's) of the SDBIP are met.

Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > =150%

The final SDBIP differs somewhat to the original SDBIP.

The Top Layer SDBIP and its targets cannot be revised without notifying the council. All changes made in service delivery targets and performance indicators must be done with the approval of the council, following approval of an adjustments budget. Council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

The following elements necessitated the revision of the SDBIP:

1. The adjustment budget:

The adjustment budget was tabled and adopted by council on 28 February 2013.

Changes to the budget necessitate changes to the budget aspect of the SDBIP.

2. Auditor general's recommendation on the 2011/2012 Performance Audit:

The process for the revision was as follows:

One on one session were held with the respective directors and their heads of departments to ensure consistency with planned objectives, indicators and targets and also to ensure that the KPI's and targets followed the SMART principles.

A. EXECUTIVE AND COUNCIL

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL26	Good Governance and Public Participation	Introduce and implement an action plan with the aim of Audit: Improve the clean audit report	Good Governance and Clean Audit: Improve the auditing status of the Municipality	Execute compliance audits	Number of audits	3	3	3	Actual	Target	Target	Comments
TL39	Municipal Transformation and Institutional Development	Improve the performance function	Capacity Development: Institutional Capacity	Prepare and sign performance agreements with SS7 appointees by end July 2012	No of performance agreements signed	6	6	6	6	6	6	Target: Overall Target achieved
												4 contracts were signed before 1 August, CFO commenced on 1st September. Contract submitted and signed on 2 October 2012 and Technical only signed on 10 August 2012.

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental Corrective Measures
TL66	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to standards in towns as per agreements with local communities and per corporate requirements	Basic Service Delivery: Achieve Day to wn Audits Conduct Town evaluations/To wn Audits	number of audits	1	1	1	Target	Actual	R	Departmental Comments
									0	0	Target not achieved: Midyear assessment for 11/12 the financial year was completed. The final evaluation for Grabouw, RSE and Villiersdorp was also done, however due to pressing commitments the committee could not complete the final evaluations for Caledon, Botriver and Greyton and Genadendal. the Management team decided to cancel the 2011/12 grading	Target not achieved: Pressing commitments resulted in the cancellation of the 2011/12 grading being finalised. The process will take off again for the 2012/13 audits.
TL67	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to standards in towns as per agreements with local communities and per corporate requirements	Conduct Corporate evaluations/Corporate Audits	number of audits	1	1	1	1	0	H	Target not achieved: Management team decided to cancel the 2011/12 corporate evaluations due to time constraints and pressing commitments. The 2012/13 audits.
									1	0		Pressing commitments resulted in the cancellation of the 2011/12 grading being finalised. The process will take off again for the 2012/13 audits.

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Corrective Measures	
TL68	Municipal Institutional and Transformation Development	Improve the Management Function	Institutional Capacity Development: Refine and improve the Institutional capacity of the Municipality	Review the performance of the five S57 employees to identify early warning signs and implement corrective measures	Number of performance evaluations conducted(Midyear of current financial year and Feb and March)	2	2	2	Target	Actual	Departmental Comments	TL68
									2	2	Resolution SC29/2013. discussed and approved by council on 20 June 2013 (Final). Mid-Year Assessment concluded in July 2012.	

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B. DIRECTORATE FINANCE

Ref	Directorate	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Target	Actual	R	Departmental Comments	Departmental Corrective Measures
TL20	Financial Services	Improve The financial sustainability of the Municipality as per the objectives adopted by the financial sustainability steering committee	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute of the Deeds office, SG and legislative requirements	Continue the process of data cleansing and the reconciliation of properties on the financial system to that of the Deeds office, SG and Valuations role and submit quarterly reports to management	Number of adopted reports by Joint Mayo	New KPI	3	3	3	3		<p>Target Achieved: The Data Cleansing report was submitted to Joint management and Mayo on 28 October 2012 and 25 February 2013. The 3rd report was presented at the quarterly financial viability steering committee meeting held on 27th June 2013.</p> <p>Target</p>	
Overall Performance for Sep 2012 to Jun 2013													

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Ref	Directorate	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Corrective Measures
TL22	Financial Services	Introduce and Implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the context of achieving a clean audit by the Municipality	Update the present risk register submitted to risk management committee	Updated register	1	1	1	Actual	R	Departmental SDBIP Comments
TL23	Financial Services	Introduce and Implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the context of achieving a clean audit by the Municipality	Update the present risk register submitted to risk management committee	Updated register	1	1	1	Target		Departmental Corrective Measures
TL23	Financial Services	Introduce and Implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the context of achieving a clean audit by the Municipality	Update the present risk register submitted to risk management committee	Updated register	1	1	1	Actual	R	Departmental Corrective Measures
TL23	Financial Services	Introduce and Implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the context of achieving a clean audit by the Municipality	Update the present risk register submitted to risk management committee	Updated register	1	1	1	Target		Departmental Corrective Measures
TL27	Financial Services	Address the financial sustainability threat faced by the Municipality	Financial Sustainability: To ensure viability of the Financial Management of the Municipality and execute legislative revenue received for services	Financial Sustainability: To ensure viability of the Financial Management of the Municipality and execute legislative revenue received for services	% achieved	60%	60%	60%	60%	68%	Target well achieved:

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Ref	Directorate	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental SDBIP Comments	Departmental Corrective Measures
TL29	Financial Services	Address the financial sustainability threat faced by the Municipality	To ensure Financial Sustainability of the Municipality and execute its service obligations (Total operating revenue-grants received)/debt service payments due within the year (%)	Financial Sustainability measured in terms of the municipality's ability to meet debt obligations ((Total operating revenue-grants received)/debt service payments due within the year) (%)	% achieved	11	11%	11%	Actual	17%	Target extremely well Achieved: Total Operating Revenue R303 574 155 Operating Grants R7 403 180 Debt Service Payments R17 054 300	
TL30	Financial Services	Address the financial sustainability threat faced by the Municipality	Financial Sustainability: To ensure prepaid water meters by end June 2013	Installation of # of meters		100	400	400			Target extremely well Achieved: Target scheduled for end June. Equipment has been purchased. amount R1 586 669 YTD spend R202 464,48. Towns installed meters that where in stock, hence the slow spending of the budget.	
TL31	Financial Services	Introduce and implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the auditing status of the	Approval of a Corporate towards Project Plan achieving a clean audit by April 2013	Approved plan	New KPI	1	1	1	1	Target Approved by EMC on 15 May 2013	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Actual R	Actual A	Departmental SDBIP Comments	Departmental Corrective Measures
TL34	Municipal Financial Viability and Management	Address the Financial Sustainability faced by Municipality	Financial Sustainability: To ensure Sustainable Financial Management of the Thewaterskloof Municipality and execute legislative requirements	Implement cost saving measures on paper and photocopy cost and submit quarterly progress reports to the management meetings	Number of satisfactory reports submitted	4	3	3	3	3	3	Target achieved: Submitted to Management on 25 October 2012 - B183/2012 [31 Oct 2012] 2nd Report submitted to Management on 25th of January 2013. Total cost savings for the 2nd quarter = R690.57. Submitted 3rd report (item B65/2013) to Management on 19/04/2013.	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL35	Municipal Development and Institutional Transformation	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Improve the Institutional capacity of the Municipality	Conduct Phase 1 of Productivity Assessment (Grabouw) by End April 2013 and Phase 2 (Income and SCM) by June 2013	Number of Assessments	New KPI	3	3	Actual	R	Targets not achieved: The assessment report for Grabouw was received on the 26th April 2013.	Based on the outcome of the report, MM requested Productivity SA to initiate the process with the Income Section hereafter a decision on SCM will be made. A meeting date will be scheduled where the process will be documented. The Director corporate has been requested to submit a reviewed project plan by the 2nd week in August.
TL36	Municipal Development and Institutional Transformation	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Improve the Institutional capacity of the Municipality	Submit productivity improvement plan by March 2013	Plan submitted	New KPI	1	1	1	G	Target Achieved: Submitted and approved by the Financial Sustainability Steering Committee.	

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL37	Municipal Transformation and Institutional Development	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Refine and improve the Institutional Capacity of the Municipality	Develop strategy to ensure the retention of key competent staff and submit to Council for approval by June 2013 (Staff retention Policy)	Strategy approved	New KPI	1	1	Target	Actual	Target not achieved: The policy working group is a sub-committee of the Local Labour Forum. In order for there to be a quorum, all members of the working group must be present. The working group was cancelled on numerous occasions due to there not being a quorum. Also due to the long list of policies, the working group could only handle a few at a time and the rest had to stand over to the next meeting.	Draft Retention Strategy will be discussed by the Policy Working Group on 18 July 2013 where after it will be referred to the Local Labour Forum for adoption.
TL38	Municipal Transformation and Institutional Development	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Refine and improve the Institutional Capacity of the Municipality	Review identified HR policies (Leave, HIV/Aids, Induction)	Number of policies reviewed by end June 2013	3	3	3	3	4	Target well achieved: An Induction Policy was adopted by Council on 07 Aug 2012. The Leave and HIV / Aids Policy / Scarce Skills Policy was approved by Council on 20 March 2013	

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Departmental	Departmental Comments	Departmental Corrective Measures
TL40	Municipal	Transformation and Institutional Development	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Refine and improve the Institutional productivity of the 2012	Review and submit the Employment Equity plan by September 2012	1	1	1	Target Achieved: New Equity Plan was submitted to Dept. of Labour on 19 Sept 2012	Departmental	SDBIP Comments	
TL57	Municipal	Financial Viability and Management	Address the Financial Sustainability treat faced by Municipality	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute Legislative requirements	Complete two supplementary valuation rolls, one in December 2012 and one in June 2013	2	2	2	Target achieved: First Supplementary Financial roll was send to Department for implementation in December 2012. Second supplementary valuation rolls was received and advertised in the media for two weeks. Notices were sent out to all owners by mail during April 2013. The Second supplementary roll was handed over to the financial department to implement in June 2013			

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL58	Financial Viability and Management	Financial Sustainability	Address the Financial Sustainability faced by the Municipality	To ensure Sustainable Financial Management of the Municipality and execute legislative requirements	General valuation role completed	1	1	1	Target	Actual	Target Achieved:	
											<p>Notices were placed in Burger, Argus and Theewaterskloof Gazette for applications for appeal board members. General Valuation roll was submitted by the valuers. Objection process ended on 7 March 2013. Objections were handed over to the valuer in March 2013. The Appeal valuation board was appointed by the MEC and published in the Gazette on 26 April 2013. Declaration forms were completed by the board and MEC. General valuation rolls ready for implementation on 1 July 2013 by the financial department. Appeal board meetings will only be held in September or October.</p>	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL61	Good Governance and Public Participation	Introduce and implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the auditing status of the Municipality	Review identified ICT Policies by June 2013	Number of policies reviewed	New KPI	4	4	Actual	R	Target achieved: The following policies were submitted and approved in May 2013 by council: ICT Standardisation, Patch Management, Change Control, ICT Maintenance Policy. Ref#SC09-2013 Records File Number -	
TL62	Good Governance and Public Participation	Introduce and implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the auditing status of the Municipality	Develop a Backup and Disaster Recovery Plan and submit to Council for approval by 30 June 2013	Plan developed and approved	New KPI	1	1	1	G	Target Achieved: The backup and disaster recovery plan was submitted to and approved by council in May 2013. Ref#SC09-2013 Records File Number - 6/2/3/1	

Ref	TL63	Good	Good Governance and Public Participation	Introduce and implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the auditing status of the Municipality	Good Governance and Clean Audit: Improve the performance of service providers	submit reports to Council on the performance of service providers	No of reports submitted	Unit of Measurement	New KPI	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Departmental Comments	Departmental Corrective Measures	TL63
												2	2	0	Target not achieved: Due to the complexity of the exercise regarding the status of ICT providers for related contracts, we were unable to conclude the performance review report before the council went into recession. The municipal users have concluded their reviews of the respective service providers. The procurements process followed has also been identified. The reviews was presented to the ICT Steering Committee.		

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental	Departmental SDBIP Comments	Departmental Corrective Measures
TL64	Good Governance and Public Participation	Introduce and implement an action plan with the aim of obtaining a clean audit report	Good Governance and Clean Audit: Improve the auditing status of the Municipality	Develop a ICT Master Systems Plan aligned to the (MSP) that is integrated Development Plan (IDP) and submit to Council for approval by end June 2013	ICT master plan developed and submitted	New KPI	1	1	Target	Actual	R	achieved: MSP was approved by the ICT Manager and sent to Management for comments. The MSP was submitted to the council in May 2013, but was not approved and referred back to ICT for revision.	The MSP will be assisted with the Municipal Manager and the Chairman of the ICT SteerComm.
TL69	Municipal Transformation and Development	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Improve the Institutional capacity of the Municipality	Manage the vacancy rate on budgeted posts to less than 2% during the year	Vacancy rate less than 2%	New KPI	2%	2%	2%	5.46%	R	Target not achieved: Currently in process of filling all vacant positions. It should also be noted that 7 budgeted positions cannot be filled due to labour disputes. Others are being advertised.	The rest of the budgeted positions will be used to fund other critical positions.
TL70	Municipal Transformation and Development	Launch a productivity improvement plan based on the outcome of a productivity assessment	Institutional Capacity Development: Improve the Institutional capacity of the Municipality	Review the Workplace Skills Plan and submit by June 2013	Work Place Skills Plan reviewed and submitted	1	1	1	1	1	G	Target Achieved: Plan was approved and signed off by the parties.	

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Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Target	Actual	R	Departmental Comments	Departmental Corrective Measures	TL45	Basic Service Delivery
		Obtain approval from Council for a three year housing program that demand in the housing opportunities	Sustainable Housing Programme: To address the demand in the housing opportunities	Implement 3 year housing programme to provide housing opportunities	Quarterly report	3	3		3	3		Target achieved: Reports submitted to Mayco as follows: 28 January, 9 April and 27th May			
		Obtain approval from Council for a three year housing program that demand in the housing opportunities	Sustainable Housing Programme: To address the demand in the housing opportunities	Implement 3 year housing programme to provide housing opportunities	Quarterly report	3	3		3	3		Target achieved: Reports submitted to Mayco as follows: 28 January, 9 April and 27th May			

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Ref	National KPA	Local Economic Development	Local TL46
Pre-determined Objectives	Obtain approval from the financial steering committee for a project plan intended to create an investor and friendly developer Municipality	Local Economic Development: Create an Enabling Environment for a Developing Watershed	Local Economic Development: Create an Enabling Environment for a Developing Watershed
Strategic Objective	Local Economic Development: Create an Enabling Environment for a Developing Watershed	Local Economic Development: Create an Enabling Environment for a Developing Watershed	Local Economic Development: Create an Enabling Environment for a Developing Watershed
KPI	Create job opportunities (Full Time Equivalent number people employed*number of days employed/230 Target vs Actual) (CWP and EPWP Program)	Create job opportunities (Full Time Equivalent number people employed*number of days employed/230 Target vs Actual) (CWP and EPWP Program)	Create job opportunities (Full Time Equivalent number people employed*number of days employed/230 Target vs Actual) (CWP and EPWP Program)
Unit of Measurement	Number of job opportunities created	Number of job opportunities created	Number of job opportunities created
Annual Target	100	100	100
Revised Target	100	100	100
Overall Performance for Sep 2012 to Jun 2013		Actual	230
Departmental Comments	Target extremely well met: 31 - Full Time Equivalent work opportunities have been created in the month of July. 33- Full time equivalent work opportunities created during August. 33 -FETs generated through the CWP and 20 opportunities generated through the Work Skills Program. 31- Job Opportunities have been created in the month of October through the CWP programme. 24 -FTE opportunities created through the CWP program 21 FTE created through CWP [31 Dec 2012] 30 -work opportunities created in the month of Jan. 27 -FTE work opportunities created in March and 61 in April (a guestimate figure as reports from LIA is still outstanding). This total only includes the CWP programme. EPWP cannot be included due to resignation of Data capture and the EPWP system being off line	Departmental Corrective Measures	

Ref	National KPA	Local Economic Development	TL47
Pre-determined Objectives	Obtain approval from the financial steering committee for a project plan intended to create an investor and friendly developer Municipality	Local Economic Development: Create an enabling environment for a project plan intended to create an investor and friendly developer Municipality	
Strategic Objective	Provide training to entrepreneurs	Local Economic Development: Create an enabling environment for a project plan intended to create an investor and friendly developer Municipality	
Unit of Measurement	Number of entrepreneurs assisted	Local Economic Development: Create an enabling environment for a project plan intended to create an investor and friendly developer Municipality	
Annual Target	12	Local Economic Development: Create an enabling environment for a project plan intended to create an investor and friendly developer Municipality	
Revised Target	12	Local Economic Development: Create an enabling environment for a project plan intended to create an investor and friendly developer Municipality	
Overall Performance for Sep 2012 to Jun 2013	Target	12	
	Actual	150	
Departmental Comments	Target extremely well met: 16 SMEs attended Micro MBA training in Gabouuw and are now part of the FSA mentorship program. 2 of those SMEs have been allocated space at the centre and are in production. 7 Caledon based businesses attended the Micro MBA training and are now part of the FSA mentorship program. 5 individual businesses have been provided with support services. Further, establishment of SME forums in 5 of the town is underway, commencing in October. Formal capacity building meetings took place in RSE and Caledon, where 21 and 7 SMEs actively participated. Those meetings will be taking place on ongoing bases for the next 5 months. 10 young entrepreneurs chosen through the youth symposium to attend holiday Micro MBA training in Dec	2- Businesses were provided with support: 1. Khukhusa : access to industrial sawing machines 2. Wood poetry: SARS forms and referral to business formentals (Pty) Ltd ; revision of business plan and business advice. Young entrepreneur youth camp was held in March ,	
Departmental Corrective Measures			

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental Comments	Departmental Corrective Measures
TL48	Municipal Financial Viability and Management	Improve The financial sustainability of the Municipality as per the objectives adopted by the financial sustainability steering committee	Financial Sustainability: To ensure Sustainable Financial Management of a Signage development through the Revenue Enhancement	Address By-Law submitted	1	1	1	Actual	0	Target not achieved: Strategic Workshop on Policy/By-law held and approved by Council on 21 November, 2012. REF: SC20/2012	
TL49	Municipal Transformation and Institutional Development	Implement an action plan with the aim of improving the clean audit report	Institutional Capacity Development: Refine and Strengthen Institutional Capacity of the Municipality	Develop 3 policies (Taverns & Shebeens, Street Names) submit to Council for approval	Number of policies	3	3	3	3	Target Achieved: Taverns & Shebeens, container & Street Names and Numbering Policies were approved by Council on 16 May 2013.	
TL50	Municipal Financial Viability and Management	Improve The financial sustainability of the Municipality as per the objectives adopted by the financial sustainability steering committee	Financial Sustainability: To ensure Sustainable Financial Management of the Theewaterskloof Municipality and execute the Development Programme and submit quarterly progress reports to Council	Monitor the activities of Sustainable Development reports adopted	No of progress reports adopted	4	4	4	4	Target achieved: Report submitted to steering committee during July 2012, November 2012, February 2013 and 28th May 2013	

Ref	National KPA	Basic Service Delivery	TL51
Pre-determined Objectives	Access to affordable and reliable Services	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for development and ensure sustainability	
Strategic Objective		Completion of Thousands Centre(NDPG Funding Phase 1)	
KPI		% of project completed as per project life cycle	
Unit of Measurement		100%	
Annual Target		100%	
Revised Target		100%	
Overall Performance for Sep 2012 to Jun 2013		Target	
		Actual	
		R	
	Departmental SDBIP Comments	Target Achieved: This phase of the project complete.	
	Departmental Corrective Measures		

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Departmental Comments	Departmental Corrective Measures
TL52	Financial Viability and Management of the Municipality	Improve The financial sustainability of the Municipality as per the objectives adopted by the financial sustainability steering committee	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute legislative requirements	Develop a Land Disposal Strategy	% of activities completed as per project life cycle	80%	80%	80%	Target not achieved: Draft received on 28th June 2013. The complexity of evaluating the functionality of the quotation led to a delay in the appointment of the service provider. The appointment has now been concluded. The delay was caused by SCM as they took a long time to evaluate the tender due to minimum competency of the tenders had to be evaluated by 3 people outside of the SCM office. The 3 people outside of the office had difficulty in finding time to evaluate as it is a very timeous exercise to go through all the documents to give a fair rating.	The draft Strategy will be presented at the next Financial Sustainability committee after which it will be presented to council.
						80%	80%	60%		

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Target	Actual	Overall Performance for Sep 2012 to Jun 2013	Departmental SDBIP Comments	Departmental Corrective Measures
TL60	Basic Service Delivery	Facilitate the establishment of partnerships that will result in the improved social conditions of certain communities	Healthy and Secure Social Fabric: Establish a Healthy, Safe and Secure "Social Fabric" submit to council by April 2013.	Complete a needs analysis & programme upgrade facilities per town and submit to council by April 2013.	Needs Analysis completed and submitted	1	1	1	1	Target not achieved: Served at Management on 17 May (171664) and EMC forwarded to council. Item resolved/Approved by both EMC and Management.	Target not achieved: Total Income for Financial Year R 3710773.89, MVS suspended in May 2012 and another contractor SYNTELL came on board in 2012. Therefore income for fines were very low.	Income is improving since the appointment of the new service provider.
TL77	Municipal Financial Viability and Management	Improve the financial sustainability of the Municipality as per the objectives adopted by the steering committee	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute Legislative requirements	Optimal collection of fines issued for the financial year	R Value of fines collected	R 5,300,000	R 5,300,000	R 3,710,773.89	R 73.89	Target not achieved: Total Income for Financial Year R 3710773.89, MVS suspended in May 2012 and another contractor SYNTELL came on board in 2012. Therefore income for fines were very low.	Target not achieved: Total Income for Financial Year R 3710773.89, MVS suspended in May 2012 and another contractor SYNTELL came on board in 2012. Therefore income for fines were very low.	Income is improving since the appointment of the new service provider.
TL78	Basic Service Delivery	Improve Law Enforcement and traffic policing from a current undersired state.	Basic Service Delivery: Achieve Day to Day Service standards in delivery incidents towns as per agreements with local communities and per corporate requirements	Law Enforcement initiative to decrease incidents affecting traffic safety	Monthly Statistics report to Development Portfolio	5	5	5	3	Target not achieved: An acting traffic chief was appointed in the interim to manage the Traffic and Law Enforcement portfolio until a permanent appointment is made.	Target not achieved: An acting traffic chief was appointed in the interim to manage the Traffic and Law Enforcement portfolio until a permanent appointment is made.	

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Target	Actual	Overall Performance for Sep 2012 to Jun 2013	Departmental SDBIP Comments	Departmental Corrective Measures	
TL79	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information and per corporate requirements	Approve building plans within 30 days	% Approved	100%	100%	100%	78.04%	Overall Performance for Sep 2012 to Jun 2013	Target Partially achieved: July-27 Building plans received: 16 Approved within specified timeframe; 18 not approved within specified timeframe; 20 Building plans approved: 20 Building plans received: 20 Building plans approved within specified timeframe. November: 20 Building plans received: 20 Building plans approved within specified timeframe. December: 16 Building plans approved within specified timeframe. January: 27 Building plans approved: 11 Approved in specified timeframe. February: 20 Building plans approved: 13 within specified time frame. March: 33 Building plans approved: 31 within specified timeframe; 2 Not approved within specified timeframe. April: 43 Building plans received of which 34 was approved within specified timeframe and 8 not approved within the specified timeframe	Operating Procedure (SOP) will be developed and put in place to ensure that plans approved within deadline	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Actual	Remarks	Departmental SDBIP Comments	Departmental Corrective Measures
TL80	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service Delivery standards in towns as per agreements with local communities and per corporate requirements	Process land use applications within 60 days after receipt of all outstanding information and documents	% Of applications evaluated	100%	100%	100%	91.03%		Target partially achieved: 91.03% of all applications approved within specified timeframe. Under delay in response from sector departments or comments not being processed in time for the PEC agenda	A Standard Operating Procedure (SOP) for land use applications will be developed and put in place to ensure that plans are approved within deadline.

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Departmental Comments	Departmental Corrective Measures
TL10	2	Basic Service Delivery	Access to affordable and reliable services	Basic Service Delivery: Achieve Day to Day Service standards in towns as per agreements with local communities and per corporate requirements	upgrade RSE sports grounds	% of project completed as per project life cycle	100%	100%	Target	Actual
								70%		R
									Target not achieved: The project comprised of the building of new toilets as well as the upgrading of existing building into toilet facilities. Problems with contractor resulted in portion of job not completed. the contractor did not have the material to complete the job and this ended up in a ± 2 months delay. a number of emails was sent to the contractor but he could not provide the materials in time.	Will complete job early 2013/ 2014 [30 Jun 2013]
TL10	3	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service standards in towns as per agreements with local communities and per corporate requirements	Construct Mini Sport Facility for Myddleton	% of project completed as per project life cycle	100%	100%	100%	Target achieved: The grounds were made even and planted with grass. MIG allocation for this project was spent.

E. DIRECTORATE OPERATIONS

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Actual	Target	Comments	Departmental Corrective Measures
TL1	Municipal Financial Viability and Management	Address the Financial Sustainability of the Municipality	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute legislative requirements	Spending allocated by 30 June 2013 (Operational)	% of approved budget spent	100%	100%	100%	100%	93.42%	100%	<p>met: Caledon = 98.66%, Grabouw = 88.93%, Villiersdorp = 101.41% RSE = 79.94%, Total Budget = R 1 452 500. YTD spending = R1 356 925.58</p> <p>Reasons, for underperformance: Items incorrectly booked against the stores votes. Journals had to be done to correct this. hence the under expenditure</p>	Departmental Corrective Measures

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Departmental Comments	Departmental Corrective Measures
TL2	Municipal Financial Viability and Management	Address the Financial Sustainability the Municipality faced by	Financial Sustainability: To ensure Financial Sustainable budget by 30 June 2013 (Operational)	Spend allocated Sewerage budget by 30 June 2013	% of approved budget spent	100%	100%	100%	Actual	Target almost met: Caledon = 97.91%, Grabouw = 99.08%, Villiersdorp = 105.91% RSE = 90.53, Grey/Gen = 87.96, Total Budget= R 684 000. YTD spending = R657 481.56, Reasons for underperformance: Items booked against the stores had to be done to correct this. hence the under	
TL3	Basic Service Delivery	Access to affordable and reliable Municipal Services	Basic Service Delivery: Achieve Day to Day Service Informal settlements (taps) for service points installed	Install water service points	Number of water service points installed	50	250	250	250	Target met: 250 taps installed	

Ref	National KPA	Basic Service Delivery	TL4
Pre-determined Objectives	Access to affordable and reliable Municipal Services	Basic Service Delivery: Achieve Day to Day Service standards in informal settlements as per agreements with local communities and per corporate requirements	Strategic Objective
KPI	Install sanitation services points (toilets) installed	Number of	Unit of Measurement
Baseline	50	Annual Target	Revised Target
Overall Performance	Actual R	Target	Actual
Departmental SDBIP Comments	Target met: 18 toilets installed	Departmental Corrective Measures	

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Ref	National KPA	Municipal Financial Viability and Management	Financial Sustainability Address the Municipality's financial sustainability	Financial Sustainability: To ensure Roads budget allocated by 30 June 2013 (Operational)	Spend % of approved budget spent	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Actual R	Comments	Departmental Corrective Measures
TL5							100	100%	100%	87.29%		Target almost met: YTD per expenditure Town: Calidon: 83.15% Grabouw: 55.77% Villiersdorp: 81.18% RSE: 89.67% Grey/Gen: 126.91% Total YTD Expenditure = 93.10% Total Budgeted amount=R2497 450 VS Total Expenditure = R2180086.65. Reasons ,for underperformance: Items booked against the stores votes. Journals had to be done to correct this. hence the under expenditure	

Ref	National KPA	Pre-determined Objectives	Access to affordable and reliable Municipal Services	Basic Service Delivery	TL17					
Overall Performance		Strategic Objective	Basic Service Delivery: Achieve Day to Day Service Delivery standards in towns as per agreements with local communities and per corporate requirements	Provide a solid waste removal service	Unit of Measurement	Baseline	Annual Target	Revised Target	Target	Actual
Departmental Corrective Measures	Departmental Comments	Target Achieved: Tracking reports are available of all trips							100%	100%

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Actual R	Comments	Departmental Corrective Measures
TL55	Municipal Viability and Financial Management	Address the Financial Sustainability treat faced by the Municipality	Financial Sustainability: To ensure Sustainable Financial Management of the Theewaterskloof Municipality and execute legislative requirements	Spend the budget for parks and maintenance cemeteries	% of Budget spent	100	100%	100%	100%	86.00%	<p>Target almost met: YTD spending on Parks at all Towns = R275 047.98= 118.05% .YTD Expenditure per Town (Parks)Caledon 246.03%, Grabouw 96.35, Villiersdorp 79%, RSE 165.02, Grey/Gen 97.70 on Cemeteries = R127 436.19 =54.24% YTD Expenditure per Town (Cemeteries)Caledon 97.75%, Grabouw 37.62, Villiersdorp 99.19%, RSE 33.78%, Grey/Gen 65.76% Reasons ,for underperforman ce: Items incorrectly booked against the stores votes. Journals had to be done to correct this. hence the under expenditure</p>	

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Actual	Target	Departmental Comments	Departmental Corrective Measures
TL56	Municipal Financial Viability and Management	Address the Financial Sustainability treat faced by Municipality	of the Theewaterskloof of Municipal and executive requirements	Financial Sustainability: To ensure Building and allocated Spend the	% of Budget spent	100	100%	100%		93.13%	100%	Target almost met: YTD % expenditure per Town: Caledon: 85.07% Grabouw: 101.23% Villiersdorp: 144.30% RSE: 98.16% Grey/Gen: 82.07% Total YTD Expenditure = 96.13% Total Budgeted amount= R1 163 200 VS Total Expenditure = R941147.73	
TL71	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service standards in status towns as per agreements with local communities and per corporate requirements	Updated equipment maintenance files wrt bluedrop status by December 2012	Update Files (19 water pump stations)	100	100%	100%		100%	100%	Target achieved: reports of all stations updated and received monthly	

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance		Departmental SDBIP Comments	Departmental Corrective Measures			
TL72	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	Actual	R	Target achieved: reports of all stations updated and received monthly	Audit of pump stations with number of pumps per station will be conducted to ensure that records are correct and that town officials are recording and reporting accurately.			
TL73	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%							
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%							
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%							
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	Target		Target achieved: reports of all stations updated and received monthly	Audit of pump stations with number of pumps per station will be conducted to ensure that records are correct and that town officials are recording and reporting accurately.			
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	Actual						
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	R						
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	53%						
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	8		Target achieved: All plans received. Plans with progress to date tabled at portfolio on 6/2/2013 ref: B11/2013				
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	8						
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	8						
	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to status green/ drop files wrt maintenance equipment	Updated	Updated Files (15 Sewerage pump stations)	100	100%	100%	8						

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Actual	Target	Departmental SDBIP Comments	Departmental Corrective Measures
TL74	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service standards in towns as per agreements with local communities and per corporate requirements	Upgrade and maintain cemeteries as per scheduled maintenance plan	Number of progress reports	New KPI	3	3		3	3	Target met: Scheduled plan together with progress to date tabled at portfolio committee on 06/02/2013. RefB11/2013 This reported included performance to date for the first two quarters. Hence should count as two reports. Unable to report in December due to the intensive public participation held for the IDP process. The 3rd report for the period January to March served before the portfolio on 05 June 2013 Ref: OP10/2013	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance	Departmental Corrective Measures	Target met:
TL75	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service standards in towns as per agreements with local communities and per corporate requirements	Upgrade and maintain sports facilities as per scheduled maintenance plan	Number of progress reports	New KPI	3	3	Actual	Departmental SDBIP Comments	Scheduled plan together with progress to date tabled at portfolio committee on 06/02/2013. RefB11/2013. This reported included performance to date for the first two quarters. Hence should count as two reports. Unable to report in December due to the intensive public participation program held for the IDP process [28 Feb 2013]. the 3rd report reporting for the period January to March served before the portfolio on 05 June 2013 Ref: OPT0/2013
							3	3	Target	Departmental	Target met:
							3	3	Actual	Departmental	Target met:

Ref	TL76	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to Day Service Delivery standards in towns as per agreements with local communities and per corporate requirements	Develop new parks by end June 2013	Number of projects	New KPI	8	8	8	8	8	8	9	Overall Performance	Departmental SDBIP Comments	Departmental Target met: Villiersdorp: 1 New Crest 1 Extension 7, Grabouw: Bobbou 2, Bert en Brink Strat 1, Garfey Str 1, Caledon: Uitsig 1 Botriver: 1 Genadendal Bib 1 Greyton Bib 1	Greyton Nature society would have donated a portion of the play park expenses. Planning phase of Greyton play park is done. Funding not received to date	Departmental Corrective Measures
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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Annual Target	Revised Target	Overall Performance
TL91	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to standards in towns as per agreements with local communities and per corporate requirements	Provide piped water inside dwelling to households	% of households connected (new applications)with in 7 working days	100	100%	Target 100% Actual 65%	R Departmental SDBIP Comments A workshop will provide evidence cannot be help with Technical officials to emphasise the importance of correctly completing job cards and card system implemented correctly.
TL92	Basic Service Delivery	Access to affordable and reliable Services	Basic Service Delivery: Achieve Day to standards in towns as per agreements with local communities and per corporate requirements	Provide Flush toilet sewerage to households	% of households connected (new applications)within 7 working days	100	100%	Target 100% Actual 64%	R Departmental SDBIP Comments A workshop will be help with Technical officials to emphasise the importance of correctly completing tasks within timeframe.



E. DIRECTORATE TECHNICAL SERVICES

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Target	Actual	R	Departmental Comments	Departmental Corrective Measures	Ref
TL6	Basic Service Delivery	Address the Financial Sustainability of the Municipality	Financial Sustainability: To ensure Sustainable Financial Management of the Municipality and execute legislative requirements	Limit water losses to less than 15%	% of water unaccounted for	15%	15%	Overall Performance for Sep 2012 to Jun 2013	15%	15%	G	Target Achieved: water losses is standing at 15.47 %	SLA is in finalisation stage. SLA has been referring to Internal Auditor to Scrutinize the shortcomings. Once approved will be implemented to curb the losses in the TWK area.	TL6

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013		Departmental SDBIP Comments	Departmental Corrective Measures
TL7	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, Deliver standards in towns as per agreements in order to address communities and per corporate requirements provision for development and ensure sustainability in the process	Basic Service Delivery: Achieve Day to Day Service Delivery standards in towns as per agreements with local communities and per corporate requirements	Improve water quality management	% scored as per Annual Blue drop audit	75%	75%	Target	Actual	R	Mitigation plan will be tabled at technical portfolio and council in August. In the meantime the dosing pump for Grabouw has been installed and the aluminium has been reduced. The implementation of the mitigation plan once adopted by council will also address the other short comings which will improve the total score considerably.
						75%	75%	Target	71.50%		<p>achieved: Did not achieve the 100% drinking water quality compliance due to not having adequate infrastructure such as special dosing pump to alleviate the High aluminium in Grabouw as well as RSE. Compliance in this regard would have ensured the 75% compliance. That Blue Drop report was discussed at Management Meeting. Recommendation was that a Mitigation Plan should be compiled. (31 May 2013) Mitigation plan served before Management at the end of June (M110/2013). evident that TWK is steadily moving towards achieving its Blue Drop status. Ratings as follows: 2010= (66,69%); 2011 (58,9%); 2012 (71,5%)</p>

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental Comments	Departmental Corrective Measures
TL8	Municipal Financial Viability and Management	To ensure effective infrastructure and bulk replacement, upgrades, financial services and expansions in order to address infrastructure and bulk services backlogs, make provision for development and ensure sustainability in the process	Financial Sustainability: To ensure Sustainable financial services upgrade, expansion and replacement programme and submit to Council for adoption by 30 June 2013	Compile a three year infrastructure programme adopted by June 2013	Programme adopted by June 2013	1	1	0			Original Plan was drafted 03/01/2012. Municipal management on the resubmitted to Manager requested that plan be drafted in the format of a risk mitigation plan. Draft submitted to management on 13/08/2012. Plan referred back for amendments. Plan resubmitted 26/03/2013 referred back for further amendments.	Draft risk plan will be resubmitted to Management at the end of August 2013.
TL9	Municipal Financial Viability and Management	Address the Financial Sustainability faced by the Municipality	Financial Sustainability: To ensure Sustainable financial Council for Management of the Municipality and execute legislative requirements	Update the water risk mitigation plan and submit to Council for approval by April 2013	Updated risk mitigation plan	1	1	1	0		Target not achieved: Draft plan submitted to Management on 27/01/2013. Plan was referred back for further amendments.	Draft risk mitigation plan will be presented to the Technical portfolio in August.

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental SDBIP	Departmental Corrective Measures
TL10	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, ensure infrastructure replacements in order to address and bulk expansions in infrastructure and bulk services and bulk infrastructure provision for development and ensure sustainability	Infrastructure Upgrades and Growth Planning: To improve waste water quality management		% scored as per annual Green Drop audit	70%	70%	Actual	R	Target not achieved: Report not as yet received from the Minister of Water Affairs. Minister withheld the report until further notice.	Target not achieved: Draft submitted to council for notification.	Awaiting release of report
TL11	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, ensure infrastructure replacements in order to address and bulk expansions in infrastructure and bulk services and bulk infrastructure provision for development and ensure sustainability	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure replacements in order to address and bulk expansions in infrastructure and bulk services and bulk infrastructure provision for development and ensure sustainability	Update Waste Abatement Plans	No of plans updated	6	2	0		Target not achieved: Draft submitted to council for notification.	Target not achieved: Draft submitted to council for notification.	

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Target	Actual	R	Overall Performance for Sep 2012 to Jun 2013	Departmental SDBIP Comments	Departmental Corrective Measures
TL12	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk expansions in order to address infrastructure and bulk replacements, upgrades, and ensure sustainability in the process	Infrastructure and bulk expansions in order to address infrastructure and bulk replacements, upgrades, and ensure sustainability in the process	Compliance 1 of 7	No of WWTp operational and maintenance plans adopted	1	1	1	0	R	Target not achieved: Plan was presented at council on 26th July 2013.	Target not achieved: Difficult to get appointments to install the meters. Back log on delivery time. Training the installer. RSE - installation completed. there is a backlog on the installations in Villiersdorp due to the vacant Electrician post	
TL13	Basic Service Delivery	Access to affordable and reliable Municipal Services	Basic Service Delivery: Achieve Day to Day Service standards in towns as per agreements with local communities and per corporate requirements	Install pre-paid electricity meters as per project plan	# of meters installed	670	670	670	351	R	Target not achieved: Electrician was appointed in July 2013. Priority is to install all meters in Villiersdorp.	Target well achieved:	
TL14	Municipal Financial Viability and Management	Municipal Financial Sustainability	Address the Financial Sustainability of the Municipality	Limit distribution losses for electricity to below 8.4%	% unaccounted for electricity	8.40%	8.40%	8.40%	5.27%	R	Target well achieved:		

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental SDBIP Comments	Departmental Corrective Measures
TL15	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements in order to ensure provision for sustainability	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements in order to ensure provision for sustainability	Comply with minimum standards as prescribed by NRS048/2004 Electricity supply	% compliance	85%	85%	Target	Actual	R	Target well achieved: Year average report available from CT Lab.	
TL16	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements in order to ensure provision for sustainability	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements in order to ensure provision for sustainability	Arrange external audits to monitor growth and infrastructure effective facilities ensure (Villiersdorp, Caledon, Grabouw)	% audits conducted	70%	70%	Target	Actual	R	Target well achieved: Appointment has been done in April 2013 and Audit has been conducted and reports were submitted at end May 2013	

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013	Departmental SDBIP Comments	Departmental Corrective Measures
TL85	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements, upgrades, and bulk development services in the process	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk development services in the process	Replace network in Koalisie street	% of project completed	100%	100%	100%	Target achieved: Project completed. R324 964,59 YTD spending	
TL86	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk replacements, upgrades, and bulk development services in the process	Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk development services in the process	Installation of electricity distribution network in Gonlwe Park to cater for new growth	# of informal HH connected	324	324	324	Target achieved: Job completed. Only 208 HH signed for receipt. Awaiting the reset of the community to sign off. Manager Electricity provided a certification indication that all 367 installations were done.	

Delays during TWK procurement process resulted in a later than anticipated appointment date (continuous postponement of following additional extensions which were granted in terms of the contract, expected to be completed by the end of August

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Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental Comments	Departmental Corrective Measures
						Target	Actual	R				
TL93	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services and ensure provision for development and sustainability in the process	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services and ensure provision for development and sustainability in the process	Construction of WWT in Tseselaarsdal with approved capital projects for the financial year	% of project completed	100%	100%	50%	R	G	Target not achieved: The waste management licence was issued on the 14th of May, following which a 20 day appeals period ensued. This resulted in insufficient time to complete the project by the end of June 2013. The funding will be rolled over and the project implemented in 2013/14	Target not reached due to the length of the application process. This resulted in insufficient time to complete the project by the end of June 2013. The funding will be rolled over and the project implemented in 2013/14
TL94	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services and ensure provision for development and sustainability in the process	To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services and ensure provision for development and sustainability in the process	Infrastructure Planning: To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services and ensure provision for development and sustainability in the process	Obtain Authorisation of the Upgrade of existing waste water purification works (Villiersdorp)	100%	100%	100%			Target achieved: Authorisation letter has been issued/received YTD spending = R236 676.26	

[http://www.ck12.org/Book-Search/Book-Search.aspx?text=biology](#)

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental Corrective Measures	
TL97	Basic Service Delivery	To ensure effective infrastructure and bulk upgrades, Deliver Day Service Achieve Day to Villiersdorp	Basic Service Delivery: Achieve Day to Villiersdorp	Upgrading of Streetlights	# of street lights upgrade	17	17	Actual	R	Target achieved: Hand over certificate completed YTD spending = R395 422.03	Departmental SDBIP Comments	
TL98	Basic Service Delivery	To ensure provision for make backlogs, services and bulk infrastructure and per communities with local agreements in towns as per standards in Deliver Day Service Achieve Day to Botriver	Basic Service Delivery: Achieve Day to Botriver	Upgrading of streetlights in	# of streetlights upgraded	89	89	Actual	R	Target well achieved: Claim 4 and 5 = 52 Poles planted [30 Apr 2013] Claim 6 and 7 = 36 Poles planted [31 May 2013] Claim 8 = 16 Poles planted YTD spending = R455 129.86	Departmental Corrective Measures	

Chapter 3

Ref	National KPA	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance for Sep 2012 to Jun 2013			Departmental SDBIP Comments	Departmental Corrective Measures
TL199	Basic Service Delivery		Infrastructure Upgrades and Growth Planning: To ensure effective infrastructure and bulk replacements, order to address infrastructure and bulk services, backlogs, make provision for development and ensure sustainability	Grabouw Bulk Water upgrade (Phase 5) with approved capital projects for the financial year (Grabouw)	% of project completed as per project lifecycle	100%	100%	Actual	R		Target not achieved: The target 100% linked to June is the completion of tender documents and construction drawings by the consultant. This target was not reached due to the late advertising of the consultants tender and subsequent late appointment of the consultant. This left too little time within which to complete the required work YTD spending R132 650,00	The consultants were asked to expedite the work and by 12 July had submitted a draft version of the tender document and are busy with the construction drawings
TL100	Basic Service Delivery	To ensure effective infrastructure and bulk replacements, order to address infrastructure and bulk services, backlogs, make provisions for development and ensure sustainability in the process.	Basic Service Delivery: Achieve Day to Day Service Delivery standards in towns as per agreements with local communities and per corporate requirements	Upgrading of Van Schaikwyk Street	Number of meters upgraded (Paving + tarring)	400	400	400	100		Target not achieved: Not completed in this financial year. Quality of Bitumen was bad. Purchasing of product was done in good faith however bad quality product has set us back with implementation. YTD spending R320 879,06	Bitumen has been send to lab for testing against specification. Work has been put on hold till results have been received.

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Some of the challenges experienced are:

- Provision of basic services on a sustainable basis.
- Stimulating local economic development.
- Sound management of its financial affairs.
- Strengthening continued community participation in the affairs of Local Government.
- Provision of subsidised / low cost housing.
- Development of a social strategy.
- Growing population, unemployment and poverty.
- Continued reformation in local government.
- Backlog in infrastructure.

3.1. WATER PROVISION

Water is probably the most fundamental and indispensable of natural resources – (fundamental to life, the environment, and food production, hygiene and power generation). Poverty reduction and improved water management is inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems with domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household

All water services provided by Theewaterskloof Municipality to consumers within the Municipal Management Area are linked to the Municipality's Tariff Policy and Rates Policy with poor households incorporated through the municipality's Indigent Policy. The large number of residents in the lowest income groups (living in informal areas) places a major challenge on the municipality to provide suitable services. This is particularly true for Bot River, Grabouw and Villiersdorp.

All the formal households in the urban areas of TWKM's Management Area are provided with water connections. Communal standpipes are provided in the informal areas as a temporary emergency service.

TWKM takes note of the fact that communal standpipes represent probably the weakest part of a network's water supply service. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users. Communal standpipes are also used by poor households who normally don't pay for water.

The Overberg Water Board (OWB) operates three rural water supply schemes, namely the Rûensveld West, Rûensveld East and Duivenhoks schemes which supply water to rural areas and some municipal areas over a large part of the Overberg District Municipal area. At present no formalized agreement exists between the TWKM and OWB for its role as the water service provider in the rural areas. In terms of the category B municipal WSA status, the Overberg Water Board will act as a Water Service Provider within each municipality, providing water in bulk or to individual users on farms and to several parts of municipalities. Negotiated services agreements should therefore be put in place.




Outcome of the Blue Drop Status

The overall Blue Drop Status for Theewaterskloof Municipality for the 2012/13 financial year = 71.50%

Municipal Blue Tick Score		71.90%	
Theewaterskloof Local Municipality			
Theewaterskloof and Overberg Water			
Water Services Authority			
Water Services Provider (1)			
Municipal Blue Tick Score			
71.90%			
Performance Area			
Water Safety Planning	81	66	50
Treatment Process Management	78	59	50
DWQ Compliance	89	45	45
Management, Accountability	78	58	58
Asset Management	74	62	44
Bonus Score	2.7	6.8	4.50
Penalties	0.00	0.00	0.00
Score (This Score Table)			
71.90%			
2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
42.37			
Operational Capacity (1:1:1:0.5 g/l)			
14.00			
Average Cost, Consumption (l/c/d)			
250.00			
99.9%			
97% (97.98%)			
Performance Area			
Water Safety Planning	81	66	50
Treatment Process Management	78	59	50
DWQ Compliance	89	45	45
Management, Accountability	78	58	58
Asset Management	74	62	44
Bonus Score	2.7	6.8	4.50
Penalties	0.00	0.00	0.00
Score (This Score Table)			
71.90%			
2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
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14.00			
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42.37			
Operational Capacity (1:1:1:0.5 g/l)			
14.00			
Average Cost, Consumption (l/c/d)			
250.00			
99.9%			
97% (97.98%)			
Performance Area			
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Penalties	0.00	0.00	0.00
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2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
42.37			
Operational Capacity (1:1:1:0.5 g/l)			
14.00			
Average Cost, Consumption (l/c/d)			
250.00			
99.9%			
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2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
42.37			
Operational Capacity (1:1:1:0.5 g/l)			
14.00			
Average Cost, Consumption (l/c/d)			
250.00			
99.9%			
97% (97.98%)			
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Management, Accountability	78	58	58
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Bonus Score	2.7	6.8	4.50
Penalties	0.00	0.00	0.00
Score (This Score Table)			
71.90%			
2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
42.37			
Operational Capacity (1:1:1:0.5 g/l)			
14.00			
Average Cost, Consumption (l/c/d)			
250.00			
99.9%			
97% (97.98%)			
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DWQ Compliance	89	45	45
Management, Accountability	78	58	58
Asset Management	74	62	44
Bonus Score	2.7	6.8	4.50
Penalties	0.00	0.00	0.00
Score (This Score Table)			
71.90%			
2010 Blue Tick Score			
86.6%			
System Design Capacity (M/d)			
42.37			
Operational Capacity (1:1			

What is the performance of these water-skis? It is unfortunate that the momentum of last year's disappointing could not be brought behind the water-skis, but, there would be enough progress with the implementation of regulatory requirements which can be regarded as most encouraging.

បទពិសោធន៍ សិស្សប្រឡង

 Wittmannsdorff	Water Safety Planning	55
	Treatment Process Management	40
	DWA Compliance	100
	Management, Accountability etc.	61
	Asset Management	44
	Bonus Scores	3.07
	Panels	0
	2013 Score	58.50%
	2010 Score	58.69%
	System Design Capacity (M ³ /d)	2.9
Operational Capacity (M ³ /d)	100.00	
Population Served	11 123	
Average daily Consumption (lit/d)	260.72	
Hydrobiological Compliance (%)	99.0%	
Chemical Compliance (%)	98.3%	

The Department noted with concern the persistent aluminum failures at the Grassy water treatment works and officially expressed its apprehension to the water services authority. It is however encouraging to note that optimisation initiatives are being implemented in terms of alternative equipment dosing which promises to be the solution for this unwanted situation. The Department is to be kept abreast of developments in this regard.

The municipal and water board (Overberg Water) is encouraged to strategically plan an approach to restore the excellence that once was acknowledged for the system of Caledon and use this as a platform to duplicate such initiatives in other water supply systems. The department is convinced that there would be sufficient skills in both entities to successfully implement mitigating solutions for all risks identified.

It must also be noted that the Service Level Agreement public meetings were found to be a rather remarkable initiative to keep the community informed on drinking water quality issues.



Chapter 4

3.1.1 TOTAL USE OF WATER BY SECTOR

Total Use of Water by Sector (cubic meters)				
	Agriculture	Forestry	Industrial	Domestic
2011/2012	0	0	659798	2150265
2012/2013	0	0	635959	3010214
				15.06%

3.1.2 WATER SERVICE DELIVERY LEVELS

Below is a table that specifies the different water service delivery levels per households in all formal areas for the financial years 2009/10 till 2012/13:

The 2009/10 and 2010/11 data was extracted from the S78 report which was drafted by external consultants. The 2011/12 data was extracted from the Water Services Delivery Plan which was based on census 2011 and data from the financial system.

From here onwards the 2011/12 data will serve as the baseline data. The 2012/13 data was extracted from our financial system. It must be noted that Theewaterskloof Municipality does not have any areas who have no access to water.

Water Service Delivery Levels					
Description	Households				
	2009/2010	2010/2011	2011/2012	2012/2013	
Water: (above min level)	Actual No.	Actual No.	Actual No.	Actual No.	
Piped water inside dwelling	34 469	24 283	16 177	21 572	
Piped water inside yard (but not in dwelling)	-	-	-	-	
Using public tap (within 200m from dwelling)	2916	3 689	4624	5097	
Other water supply (within 200m)	0	0	0	0	
<i>Minimum Service Level and Above sub-total</i>	37 385	27 972	20 801	26 669	
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%	
Water: (below min level)					
Using public tap (more than 200m from dwelling)	0	0	0	0	
Other water supply (more than 200m from dwelling)	0	0	0	0	
No water supply	0	61	61	61	
<i>Below Minimum Service Level sub-total</i>	-	61	61	61	
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%	
Total number of households*	37 385	28 033	20 862	26 669	

Chapter 4

3.1.3 HOUSEHOLDS WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Water Service Delivery Levels below the minimum					
Description	Households				
	2009/2010	2010/2011	2011/2012	2012/2013	
Formal Settlements	Actual No.	Actual No.	Actual No.	Actual No.	
Total households	37 385	28 033	20 862	26 669	
Households below minimum service level	0	0	0	0	
Proportion of households below minimum service level	0%	0%	0%	0%	
Informal Settlements					
Total households	2916	3 689	4624	5097	
Households below minimum service level	0.00	0.00	0.00	0.00	
Proportion of households below minimum service level	0%	0%	0%	0%	

All households are being serviced with minimum level of services.

Access to Water		
	Proportion of households with access to water points*	Proportion of households receiving 6 kl free#
2010/11	3 689	28 033
2011/12	4624	20 862
2012/13	5097	26 669
* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute		
# 6,000 litres of potable water supplied per formal connection per month		

Chapter 4

3.1.4 EMPLOYEES WATER SERVICE

Employees: Water Services									
Job Level	2011/2013			2012/2013					
	Employees		Posts	Employees		Vacancies (fulltime equivalents)		Vacancies (as a % of total posts)	
	No.		No.	No.		No.		%	
0 - 3	44		23	22		1		4%	
4 - 6	0		20	20		0		0%	
7 - 9	8		8	7		1		13%	
10 - 12	0		1	1		0		0%	
13 - 15	0		0	0		0		0%	
16 - 18	0		0	0		0		0%	
19 - 20	0		0	0		0		0%	
Total	52		52	50		2		4%	

Many of the operators at the water treatment plants lack formal qualifications. Due to the limited number of staff, fulltime training is impossible. It is imperative that alternate types of training should be investigated such as onsite/in house training or even the option of "recognized prior learning". These challenges are the most prevalent in the water and sanitation departments.

3.1.5 FINANCIAL PERFORMANCE WATER SERVICE

Financial Performance Year 2012/13: Water Services							R'000
Details	Year -2011/12		Year 2012/13				Variance to Budget
	Actual		Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	34 572		42 325	40 182	33 478		17%
Expenditure:							
Employees	5 220		5 111	5 111	5 750		-12%
Repairs and Maintenance	1 507		2 120	2 151	2 160		0%
Other	27 535		25 450	23 686	24 164		-2%
Total Operational Expenditure	34 262		32 680	30 948	32 074		-4%
Net Operational Expenditure	(310)		(9 644)	(9 234)	(1 404)		85%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and Actual by the Adjustment Budget.							

Chapter 4

3.1.6 CAPITAL EXPENDITURE -WATER SERVICE

Capital Expenditure Year Water Services						R'000
Capital Projects	Year 2012-13					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget		
Total All	10 309	12 959	9 058	-12%		
Grabouw Bulk Water Planning	-	171	133		171	
Upgrade bulk water network RSE	350	350	282	-19%	350	
Upgrading bulk water supply (new reservoir and bulk water main) Villiersdorp	7 353	6 727	5 109	-31%	6 727	
Upgrading bulk water supply network Grabouw	1 606	4 047	3 291	105%	4 047	
Pre-paid Water Meters/ Water Demand Management in TWK	1 000	1 587	164	-84%	1 587	
WaterTreatment Plant Capacity	-	77	79		77	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.						

3.2 WASTE WATER (SANITATION) PROVISION

Theewaterskloof Municipality works towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of TWKM's Management area are provided with waterbourne sanitation inside the houses. Communal ablution facilities are provided in the informal areas as a temporary emergency service.

A sustainable type of sanitation facility needs to be provided to the households on the farms, where current sanitation services are below RDP standard. It is important to complete an accurate survey on the farms to verify the existing service levels on the farms.

One of the goals of the TWKM is that sanitation services are provided equitably (adequate services are provided fairly to all people), affordable (no one is excluded from access to basic services because of their cost); effectively (the job is done well); efficiently (resources are not wasted); sustainably (services are financially, environmentally, institutionally and socially sustainable)

Chapter 4

Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2009/10, 2010/11; 2011/12 and 2012/13:

3.2.1 SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels					
*Households					
Description	2009/2010 Outcome No.	2010/2011 Outcome No.	2011/2012 Outcome No.	2012/2013 Actual No.	
Sanitation/sewerage: (above minimum level)					
Flush toilet (connected to sewerage)	19 785	24 111	14 948	21 572	
Flush toilet (with septic tank)	5 247	5 757	1229	1229	
Chemical toilet					
Pit toilet (ventilated)					
Other toilet provisions (above min.service level)					
<i>Minimum Service Level and Above sub-total</i>	25 032	29 868	16 177	22 801	
Sanitation/sewerage: (below minimum level)					
Bucket toilet	0	0	0	0	
Other toilet provisions (below min.service level)	0	0	0	0	
No toilet provisions	0	475	0	0	
<i>Below Minimum Service Level sub-total</i>	0	475	0	0	
Total households	25 032	30 343	16 177	22 801	
*Total number of households including informal settlements					

The 2011/12 data is based on Census 2011 and will serve as the baseline data from here onwards. The 2012/13 data has been extracted from the municipal financial system. The total for Flush toilets with septic tanks remains the same as no sewer projects was undertaken during the reporting year.

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3.2.2 HOUSEHOLD –SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Households - Sanitation Service Delivery Levels below the minimum Households					
Description	2009/2010	2010/2011	2011/2012	2012/2013	
	Actual No.	Actual No.	Actual No.	Actual No.	
Formal Settlements					
Total households	25 032	29 868	16 177	22 801	
Households below minimum service level	0	0	0	0	
Proportion of households below minimum service level	0%	0%	0%	0%	0%
Informal Settlements					
Total households	2916	3 689	4624	5097	
Households below minimum service level	0	475	0	0	
Proportion of households below minimum service level	0%	0%	0%	0%	0%

All households are being serviced with minimum level of services.

3.2.3 EMPLOYEES SANITATION SERVICES

Job Level	Employees: Sanitation Services					
	2011/12	2012/13				
	Employees	Posts	Employees		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		No.	%
0 - 3	46	29	27		2	7%
4 - 6		7	6		1	14%
7 - 9	3	13	10		3	23%
10 - 12	0	0	0		0	0%
13 - 15	0	0	0		0	0%
16 - 18	0	0	0		0	0%
19 - 20	0	0	0		0	0%
Total	49	49	43		6	12%

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3.2.4 FINANCIAL PERFORMANCE -SANITATION SERVICES

Financial Performance 3: Sanitation Services							R'000
Details	Year -2011/12		Year 2012/13			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	16 120	19 051	17 691	19 130		8%	
Expenditure:							
Employees	5 009	5 087	5 087	5 386		6%	
Repairs and Maintenance	2 441	2 383	2 938	2 950		0%	
Other	12 497	9 544	9 602	11 022		15%	
Total Operational Expenditure	19 947	17 014	17 627	19 358		10%	
Net Operational Expenditure	3 826	(2 038)	(64)	228		-454%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

3.2.5 CAPITAL EXPENDITURE -SANITATION SERVICES

Capital Expenditure Sanitation Services							R'000
Capital Projects	Year 2012-13					Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget			
Total All	23 122	24 629	21 097	-9%			
Fencing Sewerage Plant	-	150	126			150	
Grabouw waste water treatment plant up	16 392	22 225	20 090	23%		22 225	
Villiersdorp waste water treatment plant	5 130	293	237	-95%		293	
Tesselaarsdal waste water package plant	1 200	1 200	87	-93%		1 200	
Bereaiville sewerage network	400	400	196	-51%		400	
Greyton-Genadendal link sewer	-	361	361			361	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).							

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3.3 ELECTRICITY

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend). Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction.
- Distribute electricity subject to the license conditions set by NERSA.

3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels					
Description	Households				Year
	2009/10	2010/11	2011/12	2012/13	
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>					
Electricity (at least min. service level)	2 552	2 159	1 174	800	
Electricity - prepaid (min. service level)	2 697	3 101	4 864	5 562	
<i>Minimum Service Level and Above sub-total</i>	5 249	5 260	6 038	6 362	
<i>Percentage</i>	100.0%	100.0%	100.0%	100.0%	
<u>Energy: (below minimum level)</u>					
Electricity (< min. service level)					
Electricity - prepaid (< min. service level)					
Other energy sources					
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%	
Total number of households	5 249	5 260	6 038	6 362	

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It is not clear what the definition of minimum service level with respect to Electricity is. It is assumed that it is the 20 Amp connections as used by the Department of Energy in their allocation of funds for electrification.

The first row is reflective of the total connections on conventional meters. The annual decrease is due to the replacement of conventional meters with prepayment meters.

The increase in total connections from 6038 to 6362 is due to additional connections made in Villiersdorp.

The municipality does not have connections below 20 Amp like Eskom .

The municipality is not in the position to provide statistics for the Eskom serviced areas as such data is not readily available. The data above is only reflective of the areas serviced by the municipality.

3.3.2 HOUSEHOLDS- ELECTRICITY SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Electricity Service Delivery Levels below the minimum					
Description	Households				
	2009/10	2010/11	2011/12	2012/13	
Formal Settlements	Actual No.	Actual No.	Actual No.	Actual No.	
Total households	5 249	5 260	6 038	6 362	
Households below minimum service level	0	0	0	0	
Proportion of households below minimum service level	5 249	5 260	6 038	6 362	
Informal Settlements					
Total households	2916	3 689	4624	5097	
Households below minimum service level				4653	
Proportion of households below minimum service level	0%	0%	0%	91%	

As indicated above, data is only available for areas administered by the Municipality. With respect to municipal administered areas electricity is provided to the following number of shacks:

Villiersdorp – 364

Caledon – 80

Therefore one would assume it safe to subtract this total from the total number of informal households.

The total households in the informal settlements is representative of the entire municipal area

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3.3.3 EMPLOYEES-ELECTRICITY SERVICES

Employees: Electricity Services						
Job Level	2011/12		2012/13			
	Employees	Posts	Employees		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	10	8	7	1	1	13%
4 - 6	1	2	2	0	0	0%
7 - 9	4	3	3	0	0	0%
10 - 12	2	4	3	1	1	25%
13 - 15	1	1	1	0	0	0%
16 - 18	1	1	1	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	19	19	17	2	2	11%

3.3.4 FINANCIAL PERFORMANCE-ELECTRICITY SERVICES

Financial Performance : Electricity Services						R'000
Details	'2011/12		'2012/13			Variance to Budget
	Actual		Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	55 733		67 020	65 500	61 356	-6%
Expenditure:						
Employees	3 614		3 824	3 824	3 815	-0.25%
Repairs and Maintenance	1 713		3 243	2 653	1 340	-49%
Other	40 079		47 920	46 566	43 275	-7%
Total Operational Expenditure	45 406		54 987	53 043	48 429	-9%
Net Operational Expenditure	(10 327)		(12 033)	(12 457)	(12 927)	4%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

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3.3.5 CAPITAL EXPENDITURE -ELECTRICITY SERVICES

Capital Expenditure Year 0: Electricity Services						R' 000
Capital Projects	2012/2013					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	8 510	11 517	7 889	-7%		
Upgrading Buitenat street	360	513	473	31%	513	
Replacement Main Sub Villiersdorp	720	1 230	1 306	81%	1 230	
Replace meters with prepaid meters	3 000	2 712	1 009	-66%	2 712	
Relpace railway steel poles	80	215	201	151%	215	
Electrification Goniwepark	4 000	3 490	2 779	-31%	3 490	
Upgrade Muller street RSE	-	322	321		322	
Replace Network Sterling Kleintrou	350	350	325	-7%	350	
Upgrading Streetlights in TWK	-	400	138		400	
Install Streetlights Botrivier		599	492		599	
Upgrading of main in lake feeder	-	863	-		863	
Supply from Eskon sub Greyton	-	396	396			
Replace Minisub & switchgear SSB1	-	426	449		426	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Theewaterskloof Municipality is committed to a system of waste management that will see the least possible amount of waste going to modern engineered landfills. This will be achieved through the use of education, law enforcement and material recovery and treatment plants. New and emerging technologies, where applicable and affordable, will also play a part in overall waste management.

The analysis of the current waste management system has shown the following:

- all formal residential erven are receiving a weekly door-to-door waste collection service
- all collected municipal waste in the Riviersonderend service area is disposed at the Municipality's unlicensed waste disposal site in Riviersonderend
- all collected municipal waste in the Genadendal and Greyton service areas are disposed at the municipality's unlicensed Genadendal and Greyton waste disposal sites
- all collected waste in Caledon, Tesselaarsdal and Botrivier are disposed at the municipality's Licensed Caledon landfill
- all collected waste in Grabouw, Villiersdorp as well as the waste from the Public Drop-off in Botrivier are disposed at the regional engineered and licensed waste disposal site at Karwyderskraal

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- waste recovery is not currently done
- waste avoidance is not currently addressed
- only the Caledon landfill is currently externally audited for permit compliance
- the Villiersdorp landfill has been closed, but not yet rehabilitated
- New by-laws on waste management does not exist for Theewaterskloof

Refuse collection from all households is currently sufficient except for farms. Lack of public awareness and education of the gravity of the problem of sustainable waste management has a significant impact on the effectiveness of the management of waste.

External service provider is used to collect waste from Grabouw, Villiersdorp, Botrivier and Tesselaarsdal and delivered to Caledon Landfill. All other dumping of waste is done internally.

Some of our top priorities for Waste Management are to implement public drop-off facilities in Genadendal/Greyton Area and Riviersonderend and do extensive maintenance on our existing facilities. Our Caledon Landfill needs a Leachate Dam as well as an internal stormwater runoff channel.

Monitoring on our solid waste facilities have improved. All solid waste facilities needs to be licensed by 2016 or at least 80% thereof.

3.4.1 SOLID WASTE- SERVICE DELIVERY LEVELS

Solid Waste Service Delivery Levels					
Description	2009/2010	2010/2011	2011/2012	Households	
	Actual No.	Actual No.	Actual No.	2012/2013 Actual No.	2012/2013 Actual No.
<u>Solid Waste Removal: (Minimum level)</u>					
Removed at least once a week	37 385	25 033	20 862		26 669
<u>Minimum Service Level and Above sub-total</u>	37 385	25 033	20 862		26 669
<u>Minimum Service Level and Above percentage</u>	100.0%	100.0%	100.0%		100.0%
<u>Solid Waste Removal: (Below minimum level)</u>					
Removed less frequently than once a week	0	0	0		0
Using communal refuse dump	0	0	0		0
Using own refuse dump	0	0	0		0
Other rubbish disposal	0	0	0		0
No rubbish disposal	0	0	0		0
<u>Below Minimum Service Level sub-total</u>	0	0	0		0
<u>Below Minimum Service Level percentage</u>	0.0%	0.0%	0.0%		0.0%
Total number of households	19 196	25 033	20 862		26 669

All households receive minimum services.

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3.4.2 HOUSEHOLDS- SOLID WASTE SERVICE DELIVERY LEVELS

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2009/2010		2010/2011		2011/2012	
	Actual	No.	Actual	No.	Actual	No.
Formal Settlements						
Total households						
Households below minimum service level	37385	0	25033	0	20862	26669
Proportion of households below minimum service level	0%		0%		0%	0%
Informal Settlements						
Total households						
Households below minimum service level	2916	0	3 689	0	4624	5097
Proportion of households below minimum service level	0%		0%		0%	0%

3.4.3 EMPLOYEES-SOLID WASTE SERVICES

Employees: Solid Waste Management Services						
Job Level	2011/2012		2012/2013		2012/2013	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	19	19	19	0	0%	
4 - 6	4	4	4	0	0%	
7 - 9	6	6	6	0	0%	
10 - 12	0	0	0	0	0%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	29	29	29	0	0%	

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3.4.4

EMPLOYEES- WASTE DISPOSAL AND OTHER SERVICES

Employees: Waste Disposal and Other Services						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	55	55	53	2	4%	
4 - 6	7	7	7	0	0%	
7 - 9	6	6	6	0	0%	
10 - 12	0	0	0	0	0%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	68	68	66	2	3%	

3.4.5 FINANCIAL PERFORMANCE-SOLID WASTE SERVICES

Financial Performance : Solid Waste Management Services						
Details	Year -2011-12		Year 2012-13			R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	18 706	21 160	20 910	20 855	-0.26%	
Expenditure:						
Employees	8 742	9 332	9 332	9 378	0.50%	
Repairs and Maintenance	958	1 167	1 285	1 148	-11%	
Other	13 765	8 673	8 832	11 719	33%	
Total Operational Expenditure	23 465	19 172	19 449	22 246	14%	
Net Operational Expenditure	4 759	(1 988)	(1 461)	1 391	-195%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

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3.4.6 CAPITAL EXPENDITURE -SOLID WASTE SERVICES

Capital Expenditure 2012-13: Waste Management Services						R' 000
Capital Projects	2012/13			Variance from original budget	Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure			
Total All	0	365	0	0%		
Solid Waste Drop Off	0	365	0	0%		513

3.5 HOUSING

The Housing Department is familiar of the contribution of large-scale housing delivery on the Overberg Regions property economy. In times of economic slowdown, public sector spending becomes important. Given that the World over economies will require some four years plus to fully recover from the global economic down turn, the Theewaterskloof Municipality has endeavor to converge its housing delivery programme with economic recovery objectives.

The Theewaterskloof Municipality Housing Department has received a housing implementation budget of R 30, 762 million for the 2012/ 2013 financial year. A total of R 33,396 million was spent on housing implementation.

To address the housing need in the Theewaterskloof area, a comprehensive housing strategy was adopted and implemented by council

3.5.1 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

The table below indicates the summary of houses built an also reveals the losing battle faced by the municipality in providing housing as the waiting list continues to increase.

Year end	Number of Housing Applications on Waiting list	Number of Houses built	Number of serviced sites
2008/09		242	242
2009/10		307	307
2010/11	9306	297	297
2011/12	10327	176	237
2012/13	13681	180	694

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3.5.2 EMPLOYEES: HOUSING SERVICES

Employees: Housing Services						
Job Level	Year -1		Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3						
4 - 6						
7 - 9	2	4	4	0	0%	
10 - 12	6	8	8	0	0%	
13 - 15	1	1	1	0	0%	
16 - 18						
19 - 20	0					
Total	9	13	13	0	0%	

3.5.3 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services						
Details	Year -2011-12		Year 2012-13			R'000
	Actual		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(580)		(477)	(477)	(795)	67%
Expenditure:						
Employees	2 924		3 175	3 175	3 154	-1%
Repairs and Maintenance	1		3	6	4	-28%
Other	942		2 136	2 149	327	-85%
Total Operational Expenditure	3 287		5 314	5 330	3 485	-35%
Net Operational Expenditure	3 867		5 791	5 807	4 280	-26%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

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3.5.4 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure Year 2012-13: Housing Services						R' 000
Capital Projects	Year 2012-13				Variance from original budget	Total Project Value
	Budget	Adjustment Budget	Actual Expenditure			
Total All	23 682	25 167	33 113		40%	
Low Cost Housing in Theewaterskloof	23 682	25 167	33 113		40%	25 167
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than twice the old age pension grant will receive the free basic services as prescribed by national policy.

The municipality provides the following Free Basic Services to indigent households:

Water: 6kl (all households)

Electricity: 70kwh

Weekly refuse Removal

Free Sanitation

The table below indicates the number of households that have access to free basic services:

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Free Basic Services To Low Income Households									
Number of households									
Households earning less than R 2,560 month									
Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		Access %
	Total	%	Access	%	Access	%	Access	%	
2010/2011	15538	34%	5483	33%	1032	6%	5638	34%	
2011/2012	16676	33%	3173	19%	5327	32%	5464	33%	
2012/2013	21572	28%	5062	27%	2070	10%	6024	28%	
T 3.6.3									

Theewaterskloof Municipality does not provide Electricity in all 8 towns - Eskom is the service provider in Grabouw, Genadendal, Botriver and Tesselaarsdal.

3.6.1 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERY

Financial Performance 2012/13: Cost to Municipality of free Basic Services Delivered							R000
Services Delivered	2011 / 2012		Year 2012-13		Adjustment		Variance to Budget
	Actual	Original Budget	Actual	Budget	Budget	Budget	
Water	1 472	3 115	2 295	3 115	2 295	3 115	-26%
Waste Water (Sanitation)	3 004	4 932	3 538	4 932	3 538	4 932	-28%
Electricity	2 343	2 197	2 942	2 197	2 942	2 197	34%
Waste Management (Solid Waste)	2 806	6 247	4 730	6 247	4 730	6 247	-24%
Total Operational Expenditure	9 625	16 491	13 505	16 491	13 505	16 491	-18%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

The Municipality has the mandate from Government to perform all relevant services regarding roads and storm water in those areas included within the boundaries of the WC031 area in terms of Schedule 4B and 5B, i.e. "Municipal Public Transport; Storm water Management Systems in built-up areas". Apart from various National and Provincial legislation and White and Green Papers this division is also responsible to execute all Council resolutions, policies and delegated powers by council. Roads outside the town areas are still the responsibility of the District Council.

3.7 ROADS

Various Roads were assessed and prioritized for upgrading. Numerous roads were upgraded from gravel to block paving with the installation of storm water networks. Existing tar roads that were deteriorated were also replaced with block paving. Approximately 2km of roads including intersections, were upgraded.

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3.7.1 GRAVEL ROAD INFRASTRUCTURE

Gravel Road Infrastructure					
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	Kilometres
2010/2011	96	0	0		96.4
2011/2012	98.80		0.80		98.0
2012/2013	100.80	2.00	1500m		100.8

100% of roads are maintained annually.

3.7.2 TARRED AND BLOCK PAVING ROAD INFRASTRUCTURE

Tarred and Block Paving Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheathed	Kilometres
2010/11	161	0.3	7	0	10
2011/12	161.3	0	1.5	2	10
2012/13	161.3	0.5	1.5	0	161.3

3.7.3 COST OF CONSTRUCTION MAINTENANCE

Cost of Construction/Maintenance							
	Gravel			Tar			R' 000
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
2010/2011	0	700	591	0	11500	1379	
2011/2012	0	50	4600	0	0	3000	
2012/2013	2	0	230	0	0	2785	

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3.7.4 EMPLOYEES: ROAD SERVICES

Employees: Road Services						
Job Level	2011/2012	2012/2013				
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)	%
0 - 3	74	74	70	4		5%
4 - 6	21	21	20	1		5%
7 - 9	7	7	7	0		0%
10 - 12						
13 - 15						
16 - 18						
19 - 20						
Total	102	102	97	5		5%

3.7.5 FINANCIAL PERFORMANCE: ROAD SERVICES

Financial Performance : Road Transport						
Details	2011/12	2012/13			R'000	
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1 622	5 440	4 773	2 514	-47%	
Expenditure:						
Employees	8 540	16 786	13 138	8 961	-32%	
Repairs and Maintenance	2 757	5 081	5 266	5 254	0%	
Other	7 881	7 117	7 409	9 950	34%	
Total Operational Expenditure	21 822	28 984	25 813	24 165	-6%	
Net Operational Expenditure	20 200	23 544	21 040	21 651	3%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

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3.7.6 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Expenditure : Road Services						R' 000
Capital Projects	2012/2013					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	5 373	9 351	8 571	60%		
Sidewalk from low cost housing to School	-	100	93		100	
Tar of sidewalks in CBD Bergsig and Vleiview	50	50	49	-2%	50	
Sidewalk Berg Avenue	-	200	199		200	
Santa pedestrian access	-	200	199		200	
Paving half bricks Bloukraan road	30	30	26	-15%	30	
Roads Upgrade: Akasia Street	416	416	419	1%	416	
Roads Upgrade: Jakaranda Street	416	416	406	-2%	416	
Old Cape Way	-	300	283		300	
Upgrading Roads	-	3 328	2 896		3 328	
Road Upgrade: Protea Street in Dennekruijn	3 280	1 970	1 729	-47%	1 970	
Sidewalk from CBD to Low cost housing	-	200	197		200	
Upgrade sidewalks at De Villiers Graaf school	80	80	78	-3%	80	
Roads Upgrade: Extension 11, Street No 8	420	420	429	2%	420	
Sidewalk in Disa, Muller & De Kock Street	-	200	188		200	
Upgrading of sidewalks in Alpha Street	125	125	123	-2%	125	
Roads Upgrade: Thorpe Street	557	557	555	0%	557	
Roads Upgrade: Van Schalkwyk Street	-	403	401		403	
Sidewalk Main Road CBD to Heuvelkroon	-	100	87		100	
Sidewalk from Giebeland to schools	-	200	162		200	
Upgrading of Streets & Stormwater	-	57	51		57	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						

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3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

Theewaterskloof Municipality has no subsidized public transport services hence; this transport is provided by privately owned/operated minibuses taxis. A number of school bus contracts are in operation in the jurisdiction.

With respect to non-motorized transport, there is generally little provision for pedestrian and bicycle travel in the municipal area other than the conventional sidewalks in the central business districts. These sidewalks are however in a poor condition due to limited resources. There are no facilities on rural roads for non-motorized transport.

Various sidewalks were constructed and upgraded in the Various Towns. This project was initiated via the Integrated Transport Plan as part of bettering our Public Transportation system.

3.9 WASTE WATER (STORMWATER DRAINAGE)

Storm water maintenance is done by the Operations department. Maintenance on stormwater is done in the warmer months to prevent damage during the rainy seasons. No upgrading was done.

3.9.1 STORMWATER INFRASTRUCTURE

Stormwater Infrastructure					Kilometres
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained	
2010/2011	30	2.0	1.0		5
2011/2012	32	0	0		10
2012/2013	32	0	0		10

3.9.2 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance				R' 000
		Stormwater Measures		
	New	Upgraded	Maintained	
2010/2011	100	0		104
2011/2012	0	350		0
2012/2013	0	0		0

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3.9.3 EMPLOYEES: STORMWATER SERVICES

Employees: Stormwater Services						
Job Level	Year - 2011/12		Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	55	55	55	0	0%	
4 - 6	9	9	9	0	0%	
7 - 9	0	0	0	0	0%	
10 - 12	3	3	3	0	0%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	67	67	67	0	0%	

3.9.4 FINANCIAL PERFORMANCE: STORMWATER SERVICES

Financial Performance : Stormwater Services						
Details	'2011/12		'2012/13		Variance to Budget	R'000
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	1 622	5 440	4 773	2 514	-47%	
Expenditure:						
Employees	8 540	16 786	13 138	8 961	-32%	
Repairs and Maintenance	2 757	5 081	5 266	5 254	-0.22%	
Other	7 881	7 117	7 409	9 950	34%	
Total Operational Expenditure	21 822	28 984	25 813	24 165	-6%	
Net Operational Expenditure	20 200	23 544	21 040	21 651	3%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget .						

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COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

While the Municipality remains committed to strengthening its economy limited infrastructure capacity, limited land holdings and a lack of finances mean that the state's ability to drive economic growth are limited. As such the key focus for economic growth needs to be partnerships with the private sector and investors.

The municipality has performed well in terms of the LED maturity assessments and existing investors all speak highly of the municipal staff.

Yet red tape remains a key barrier to investors.

The establishment of the development support team is an attempt to address this barrier.

Its success will depend on the new turnaround time for development applications and related investment proposals.

Addressing unemployment in the context of global, national and regional economies whose labour demands are contracting is hugely challenging. Further the number of young people dropping out of schools between the ages of 14 and 17 reducing young people's chances of finding employment even further. In most instances those who do drop out of schooling lacked foundational phase education. Theewaterskloof have leveraged national programmes, Narysec, EPWP and CWP along with provincial programmes, Skill to Work and PAY to provide support for young people to secure employment. To sustainability address the unemployment crisis interventions need to start with ECD and schooling interventions.

3.10 PLANNING

Section 156(1) of the Constitution of the Republic of South Africa, Act 108 of 1996, confers on municipalities the executive authority and the right to administer municipal planning.

Section 156(2) of the Constitution empowers municipalities to make and administer by-laws for the effective administration of municipal planning.

Section 155(6) of the Constitution charges each provincial government with the responsibility inter alia to support local government in its province and to promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

The following challenges are experienced:

1. Land use control in the municipal sphere was undertaken in terms of the Land Use Planning Ordinance. The Constitution empowered municipalities to adopt by-laws for local government matters over which they have executive authority (e.g. municipal planning).
2. The fact that municipalities were consolidated in the year 2000 and that several formerly independent municipalities were amalgamated into one "new" entity necessitated the compilation of new regulations, or, as they are now called, "by-laws".

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3. Theewaterskloof Municipality comprises the rural areas and the former municipalities of Caledon, Villiersdorp, Grabouw, Riviersonderend and Greyton, as well as the hamlets formerly served by the Overberg District Council (i.e. Middleton, Genadendal and Tesselaarsdal).
4. There were basically three systems in place. Villiersdorp and Grabouw had their own Section 7 zoning schemes and most of the other places fell under the general Section 8 scheme (Sections 7 and 8 refer to sections of the Land Use Planning Ordinance).

For the sake of effective administration and to prevent confusion it became imperative that all legislation and applicable guide lines be combined to be more effective for the entire area of TWK

The following service Delivery priorities were embarked upon during the 2012/13 financial year:

Integrated Zoning Regulations	When municipalities were consolidated in the year 2000, several formerly independent municipalities were amalgamated into one entity. This necessitated the compilation of new regulations. Previously, there were three scheme in place, Villiersdorp and Grabouw used the Section 7 Zoning Scheme and the other towns used the Section 8 Zoning Scheme. For the sake of effective administration and to prevent confusion, these schemes had to be combined into a single integrated zoning scheme.
Zoning Maps	The approved Integrated Zoning Scheme was published in Provincial Government Gazette 6875 of 13 May 2011. In order to further the implementation of the new TWK Integrated Zoning Scheme Regulations, zoning maps had to be compiled and updated. A Service Provider (Rumboll and Partners) was appointed. A draft has been submitted on Tuesday 20 April 2013.
SDF	Approved by Council together with the 2013/14 IDP and Budget
Overlay Zones	A Service Provider (Willem de Kock Town Planners and Property Valuers) was appointed to prepare the overlay zones for Greyton and Tesselaarsdal. The objective of the Overlay Zone is to provide for special or unique development factors pertaining specific areas in the municipal area.
Botrivier Precinct Plan	TWK Planning Department submitted three proposals to the Department of Rural Affairs and Land Development for consideration. The Botrivier Precinct Plan was accepted as a viable project to fund.
Policies and Bylaws	A Service Provider (Rumboll and Partners), was appointed by Rural Development The following Policies & By-laws were approved: Street and public place naming and street numbering Policy House Tavern Policy Container Policy Signage Policy Liquor Trading Days and Hours By-Laws – promulgated in Provincial Gazette 02 August 2013
Development proposals	The following Development Proposals were attended to:

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GIS	Caledon Mail Wind farms
	All cadastral maps with regards to consolidations, subdivisions, land owners details, etc. is updated on a monthly basis.
Town Planning Management System and Building Management System	All cases submitted by the GIS section to the Municipal Demarcation Board for outer boundaries changes (mostly technical alignments) was advertised in the Government Gazette of 8 August 2013 No 36732 General Notice 805 of 2013 for written objection within 30 days of publication date. The inclusion of the Houw Hoek area is a big positive to the municipality with respect to its Financial Sustainability.
	TP Man and Build Man systems were created to produce the progress and status of all building and town planning applications. All towns planning applications and building plans is captured on the system and accurate reports can be drawn from the system.

3.10.1 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development				
Detail	Rezoning		Built Environment	
	2011/12	2012/13	2011/12	2012/13
Planning application received	15	10	403	408
Determination made in year of receipt				
Determination made in following year				
Applications withdrawn	0	0	0	1
Applications outstanding at year end	0	0	118	70

3.10.2 EMPLOYEES: PLANNING SERVICES

Employees: Planning Services						
Job Level	Year -1		Year 0		Employees	Vacancies (as a % of total posts)
	Employees	Posts	No.	No.		
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	2	2	2	0	0	0%
10 - 12	4	4	2	2	2	50%
13 - 15	2	2	2	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	8	8	6	2	2	25%

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3.10.3 FINANCIAL PERFORMANCE: PLANNING SERVICES

Financial Performance : Planning Services							R'000
Details	2011/2012		2012/2013			Variance to Budget	
	Actual		Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	(432)		(990)	(370)	(441)		19%
Expenditure:							
Employees	7 209		7 547	7 547	7 794		3%
Repairs and Maintenance	6		8	8	4		-44%
Other	1 946		2 785	4 201	3 060		-27%
Total Operational Expenditure	9 162		10 339	11 756	10 859		-8%
Net Operational Expenditure	9 594		11 329	12 126	11 300		-7%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

3.10.4 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure Year 2012-13 Planning Services						R'000
Capital Projects	Year 2012-13				Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget		
Total All	2 500	8 550	4 445	78%		
Environmental Impact Studies						
Development Port Erf 595, Greyton						
Land to be developed for light industrial purposes						
Caledon	—	250	—		250	
Extension 12 (Land Surveyor, Town Planner, Civil Eng Planning)	—	1 500	1 040		1 500	
Servicing of 4 industrial erven 2766, 2767, 2770 and 2771, Grabouw	—	400	147		400	
Thusong Multi Purpose Centre	2 500	6 400	3 258	30%	6 400	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						

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3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Theewaterskloof economy has grown in both nominal and real terms in the last ten years. However this growth has been small and has been at a slower rate than the population growth. Per capita income has consequently declined. Diminished household income inevitably leads to a decline in the collection of municipal rates and service fees. The result has been, and will continue to be, a negative outcome for Municipal revenue, and local businesses will suffer from less purchasing power.

Much of the low rate of growth can be attributed to the poor performance of the agricultural sector, which accounts for around half of the economic activity in the region. Nationally, the sector has been growing at around 3% below annual GDP growth. Global competition, climate change and the rising costs of inputs have all contributed to this poor performance. While the agricultural sector in Theewaterskloof has performed better than the national sector (between 1 and 2 % better), it has still grown below national GDP growth. This more robust performance has occurred despite the slump in the forestry, pome, grain and wine markets globally. This is testament to the business skill and entrepreneurial acumen in the area.

However, this skill has not been adequate to save many of the agricultural sector jobs in the region or jobs in the downstream activities. Consequently, the number of unemployed people has grown. Agriculture is likely to continue to shed jobs with estimates of a possible further 3 000 jobs lost in the sector over the next ten years. Alternative growth sectors (construction, tourism and agro-processing) are all significantly smaller employers and are likely to replace only about a third of the jobs lost in agriculture. Unemployment is therefore likely to keep growing, reaching 44% of the working age population by 2030. The current dependency ratio is also likely to increase peaking at 4.32 in 2030.

In addition, levels of inequality in the area are high with a big divide between farmers, most of who have lived and farmed in the area for generations, and the large pool of unskilled migrants from the Eastern Cape who flock into the area in search of work and a better life. This has impacted on the social fabric of the region. Drug abuse has increased and is likely to continue to increase along with crime and social tensions.

How business is executed is also important. The region already has a high carbon footprint. Continued disregard for how business impacts on the environment will result in an increase in carbon emissions from the current estimates of around 825 000 tCO2 to 2.8 million tCO2 by 2030. This will lead to the ultimate destruction of one of the region's greatest assets – the quality of its natural environment.

Despite the sluggish performance of many sectors, the assessment of Theewaterskloof's economic potential is positive. It has significant comparative advantages – its natural endowments, its population growth and the consequent potential to expand its local rates base, its proximity to Cape Town, its relative political stability, and its strong base of local organisations and social capital. The key is using these comparative advantages optimally, and, where possible, turning them into competitive advantages. Given the dominance of agriculture and the sector's limited expansion potential, a multi-pronged strategy that both diversifies and stimulates the local economy is needed.

3.11.1 HIGHLIGHTS AND CHALLENGES: LED & TOURISM

HIGHLIGHTS	DESCRIPTION	CHALLENGES	ACTIONS TO ADDRESS CHALLENGES
SA Host Training : Trained 30 first level of entry personnel in tourism etiquette	Improve the service standards of establishments and change staff attitudes towards visitors	Monitoring changes of behavior and improvement in services	Opinion surveys
Caledon Country Fair: Leveraged funding for an annual event in Caledon	Developed funding proposals for the event support and coordination	Diverse groupings participating the in event with competing objectives	Finding a common ground and managing expectations

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HIGHLIGHTS	DESCRIPTION	CHALLENGES	ACTIONS TO ADDRESS CHALLENGES
New Mountain biking Routes established in Caledon: Built 25km of single track in Caledon Nature Gardens	Build, signpost and market 3 circular MTB routes in Caledon	Maintaining of the routes and creating safe environment for cyclists on those routes.	Increased collaboration with law enforcement
Developed 2030 and Marketing DVD: Produce marketing tools for initiatives driven by the Municipality (marketing DVD and 2030 DVD)	2030 DVD galvanizes communities and leads in a common vision towards the future Marketing DVD presents a brief overview of the area from an investment angle Published 4 directories covering all towns of TWK.	Managing opinions and expectations of stakeholders	Managed expectations
Business Directories: Developed series of Small business directories per town to stimulate local procurement and SMME activities.		Securing funding	Persevere with funding applications
Establishment of 110% Green Forum: Establishing of a Green Forum and being awarded a 110% Flagship by the Premier	Mobilising Private sector around Green Initiatives	Maintaining momentum	Champion the drive through private sector
National Tourism Conference: Invited to present at the National Tourism Conference in Johannesburg	Sharing of best practice model in tourism development	Maintaining momentum and drive	Champion the drive through private sector
LED Maturity Assessment: 1st place in the Western Cape in terms of LED Maturity.	Independent evaluation of the state of LED Maturity in a municipality.	Maintaining status quo	Retained commitment to LED

LED Maturity Assessment - is done by independent body backed by SALGA and DEDAT and measures municipality's performance in terms of LED.

In 2012 - Thewaterskloof took first place in the LED Maturity

In 2013 - Thewaterskloof was first amongst the local municipalities and 2nd in the Province after the Metro (CT)

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3.1.1.2 ECONOMIC ACTIVITY BY SECTOR

Economic Activity by Sector				
Sector	2010/2011	2011/2012	2012/2013	
Agric, forestry and fishing	67.50%	67%		66.36
Mining and quarrying	18%	17%		16.86
Manufacturing	34%	36%		38.41%
Wholesale and retail trade	25%	25%		25.75%
Finance, property, etc.	41%	47%		52.17%
Govt, community and social services	29%	30%		31.98%
Infrastructure services	28%	31%		34.10%
Total	2.422	2.5239		85.0441

3.1.1.3 ECONOMIC EMPLOYMENT BY SECTOR

Economic Employment by Sector				
Sector	Jobs			
	2010/2011	2011/2012	2012/2013	
	No.	No.	No.	
Agriculture and hunting employment	14178	13945		13623.00
Public sector	2620	2967		3150.00
Retail	2456	2589		2915.00
Construction	1931	2180		2334.00
Education	1480	1578		1728.00
Motor vehicles sales and repairs	962	1345		1760.00
Wholesale and commission traders	686	978		1143.00
Total	24313	25582		26653

Data source- Quantec and MERO report for 2012/13

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3.11.4 JOBS CREATED BY LED INITIATIVES

Total Jobs created / Top 3 initiatives	Jobs Created during 2012/13 by LED Initiatives (Excluding EPWP projects)			Method of validating jobs created/lost
	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	
Total (all Initiatives)	No.	No.	No.	
2010/2011	1336	0	1336	136- tourism sector jobs created through new enterprise establishment in the sector validated through new positions filled at those establishments. 1200-CWP program established in Grabouw- validated through monthly wage Bill reports
2011/2012	1078	0	1078	Work opportunities created through community works program validated through monthly wage Bill reports
Tourism Sector (2012/2013)	128	0	128	Number of jobs created and confirmed by the private sector
CWP (2012/2013)	109		109	Monthly reports

3.11.5 JOBS CREATED THROUGH EPWP PROJECTS

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2010/2011	17	107
2011/2012	15	99
2012/2013	13	89

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3.1.1.6 EMPLOYEES: LED

Employees: Local Economic Development Services								
Job Level	Year -1		Year 0					
	Employees		Posts		Employees		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.		No.			
0 - 3	0		0		0		0	0%
4 - 6	0		0		0		0	0%
7 - 9	0		0		0		0	0%
10 - 12	1		1		1		0	0%
13 - 15	1		1		1		0	0%
16 - 18	0		0		0		0	0%
19 - 20	0		0		0		0	0%

3.1.1.7 FINANCIAL PERFORMANCE: LED

Financial Performance : Local Economic Development Services							R'000
Details	'2011/12		'2012/13		Variance to Budget		
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	557	-	1 400	534	-62%		
Expenditure:							
Employees	1 472	748	748	769	3%		
Repairs and Maintenance	3	4	4	4	-3%		
Other	2 161	683	2 092	1 095	-48%		
Total Operational Expenditure	3 636	1 435	2 844	1 868	-34%		
Net Operational Expenditure	3 080	1 435	1 444	1 334	-8%		
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

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3.1.1.8 CAPITAL EXPENDITURE: LED

Capital Expenditure : Local Economic Development						R'000
Capital Projects	Year 2012-13					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget		
	2 500	6 400	3 258	30%		
Total All	2 500	6 400	3 258	30%		
Thusong Multi Purpose Centre	2 500	6 400	3 258	30%	6 400	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.						

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

3.12.1 LIBRARY: HIGHLIGHTS/CHALLENGES AND SERVICE STATISTICS

HIGHLIGHTS
• Visit by Dr Ivan Meyer (MEC: Sport and Recreation to Caledon library.
• Madiba Day
• Soup day with senior citizens.
• Installation of computers/ internet for public use.
• Implementation of the SLIMS library system
CHALLENGES
• Provide library service to Tesselaarsdal community.

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<i>Types of services</i>	<i>2011/12</i>	<i>2012/13</i>
Library members	12 463	8427
Books circulated	196133	166344
Exhibitions held	75	91
Internet users		
New Library service points or Wheeler Wagons	Na	na
Children Programs	199	226
Visits by school groups	64	70
Book group meetings for adults	22	30
Primary and secondary book education sessions	13	22

3.12. 2 EMPLOYEES: LIBRARY SERVICE

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other						
Job Level	Year -1	Year 2012/13				Vacancies (as a % of total posts)
	Employees	Posts	Employees	Vacancies (fulltime equivalents)		
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	4	22	21	1	5%	
7 - 9	22	6	6	0	0%	
10 - 12	4	2	2	0	0%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	30	30	29	1	3%	

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3.12. 3 FINANCIAL PERFORMANCE: LIBRARY SERVICE

Financial Performance: Libraries						R'000
Details	'2011/12	'2012/13			Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget			
Total Operational Revenue	3 730	5 740	5 740		4 956	-14%
Expenditure:						
Employees	3 472	4 067	4 067		3 602	-11%
Repairs and Maintenance	71	45	45		52	15%
Other	651	223	232		2 049	783%
Total Operational Expenditure	3 666	4 335	4 344		5 703	31%
Net Operational Expenditure	(64)	(1 405)	(1 396)		747	-154%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

3.13 CEMETERIES AND CREMATORIUMS

3.13.1 CEMETERIES: HIGHLIGHTS/CHALLENGES AND SERVICE STATISTICS

Highlights	Description
Enlarging Chafonnis cemetery at Caledon	This cemetery were enlarged by --+ 275 graves that Prolong the lifespan of +- a year and a half

Challenges	Actions to Address
The shortages of land for enlarging existing Cemetery's namely Chafonnis cemetery & knoffloks kraal Cemetery	Available land need to be acquired for Chafonnis cemetery in Caledon as well as Knoffloks kraal cemetery in Grabouw
Digging of grave sites is sometimes Difficult because of extremely hard rocky terrain	Diggers & sometime excavators need to dig the graves
Vandalism is a major challenge for the municipality wrt to maintenance of cemeteries	The municipality will have to get the communities by in through awareness initiatives in order for the community to take ownership of the grave sites and report any vandalism.

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3.13. 2 FINANCIAL PERFORMANCE: CEMETERIES

Financial Performance: Cemeteries and Crematoriums						R'000
Details	2011/2012		2012/2013			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	206	180	230	320		39%
Expenditure:						
Employees						
Repairs and Maintenance	213	247	249	239		-4%
Other	222	93	83	59		-29%
Total Operational Expenditure	263	339	331	298		-10%
Net Operational Expenditure	58	159	101	(22)		-122%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.14.1 SOCIAL PROGRAMS: HIGHLIGHTS/CHALLENGES AND SERVICE STATISTICS

HIGHLIGHTS	DESCRIPTION	CHALLENGES	ACTIONS TO ADDRESS CHALLENGES
Capacitated NGO Sector - Hope for Life: Capacitated NGO sector, focusing on Early Childhood Development and After care	Brokering of partnerships	Lack of established structured	Established structures with clear roles and responsibilities
	Leveraged funding		Built capacity
	Capacity building within NGOs	Non compliance	Strategic plan developed
	Financial and institutional readiness/compliance	Lack of focus	Leveraged funding through CSI programmes
TOY LIBRARY: Established a Toy Library at Site Seville, Caledon	Provide access to educational toys in impoverished community	Funding	Training offered through other capacity building organisations
		Low capacity amongst Staff	Source funding for salaries within the Dept of Sports and Culture
Wonderbags: Secure and distribute 300 Wonderbags and Flasks in the community.	Food security through provision of low cost cooking methods in the community - part of intervention for climate change and food scarcity	Identification of valuable groups/individuals	Based selection on the indigent register
		Monitoring the impact	Additional capacity required for post evaluation

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HIGHLIGHTS	DESCRIPTION	CHALLENGES	ACTIONS TO ADDRESS CHALLENGES
Small farmers development: Facilitated funding and resources for emerging farmers in Genadendal.	Leveraged funding for expansion and equipment of farming operations in Genadendal.	of the intervention Lack of financial management and marketing	Developed guidelines to be used as financial model Application for additional capacity submitted to Work and Skills Program
SAFE SEX/HIV AIDS WORKSHOPS: Hosts workshops for the youth focusing on interpersonal relationships and sexual health	Empower , educate and mobilise youth towards healthier sexual behavior and provide examples of healthy relationships	Lack of formalised youth structures needed for ease of communication	Strengthened relationships with youth organisations Working on formalising youth structures
Small Farmer Development 2: Brokering of Private Public Partnership in support of land tenure for emerging farmers	Facilitated land tenure for small farmers in Grabouw area.	Coordination of meetings between parties Negotiation of a favourable agreement accepted by all parties	Clearer deadlines and objectives Mitigation through dialog

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

Pollution Control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan. Theewaterskloof municipality does not have the capacity (financial and human) to develop its own AQMP and to implement such a plan. This shortcoming was reported to the Minister.

Overberg District Municipality is the licensing authority in terms of NEM:AQA (act No 39 of 2004) to issue Atmospheric Emission License for Listed Activities, which include the followings:

- Reviewing of the Atmospheric Emission licenses received from the Listed Activities Industries.
- Investigating Air Quality related complaints within the Overberg District Region.
- Developing the Overberg District Municipality Air Quality By-Law.
- The ODM Air Quality Management Plan has been drawn up and adopted.
- ODM have an Interim Air Quality Officer for Air Quality Function that is assisted by four Officials, one from each Sub District.

ODM also attend the yearly Provincial Air Quality Officer Forum

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3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

With respect to its environmental protection mandate, Theewaterskloof Municipality operates within existing institutional structures such as Cape Nature. The Municipality does not have its own set of environmental by-laws, therefore, partnerships were forged.

All natural areas are being preserved as statutory Municipal Nature Reserves. These natural areas, sanctuaries and Nature Reserves will all be accessible and open for tourism. The municipality is at present busy with alien plant eradication and is doing this in conjunction with external organisations such as Cape Nature (working for water) and land Affairs.

EIA basic assessments were acquired to do maintenance in rivers. This process is still underway. Different NGO bodies in the Towns are being incorporated to do joint management of the Environment. Where possible Arbour days are held with local schools and other government organizations.

Greening of Towns is done in conjunctions with local ratepayers and local NGO's. Local conservation meetings are held with rate payers and Budgets are spent according to listings out of such meetings.

Revision and/or development of environmental bylaws are done in accordance with the Environmental Management Framework.

COMPONENT F: HEALTH

3.17 CLINICS

Health services are managed by the provincial departments.

3.18 AMBULANCE SERVICES

Ambulance services are provided by the Overberg District Municipality.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Service is provided for by the District Municipality.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

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3.20 TRAFFIC

3.20.1 EMPLOYEES: TRAFFIC OFFICERS

Employees: Traffic Officers						
Job Level	Year -1		Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
Administrators						
Chief Traffic Officer & Deputy	1	1	1	1		
Other Traffic Officers						
0 - 3		3	3	0	0%	
4 - 6	3	12	12	0	0%	
7 - 9	37	18	16	2	11%	
10 - 12	5	12	12	0	0%	
13 - 15	1	1	1	0	0%	
16 - 18					0%	
19 - 20					0%	
Total	47	47	45	3	6%	

3.20.2 FINANCIAL PERFORMANCE: TRAFFIC OFFICERS

Traffic Services						R'000
Details	'2011/13		'2012/13		Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	2 149	5 714	5 413	4 396	-19%	
Expenditure:						
Employees	6 235	4 784	8 431	8 652	3%	
Repairs and Maintenance	465	487	521	399	-23%	
Other	1 223	2 363	2 367	1 816	-23%	
Total Operational Expenditure	7 923	7 634	11 319	10 867	-4%	
Net Operational Expenditure	5 774	1 920	5 906	6 471	10%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

Chapter 4

3.21 LAW ENFORCEMENT

3.21.1 LAW ENFORCEMENT: HIGHLIGHTS/CHALLENGES AND SERVICE STATISTICS

Highlights	Description
By law Enforcement	<p>Law Enforcement has a program eMIS in place to record all law enforcement related cases/queries received.</p> <p>The eMIS system is a job card system which assist the department in ensuring that all cases/queries received are attended to, completed and feedback is provided to the public. A monthly report is drawn for record purposes and to see if cases are adhering to.</p>

Challenges	Actions to Address
Shortage of permanent staff	<ul style="list-style-type: none"> • EPWP contract staff was appointed to fulfill law enforcement operational needs. Of the 20 students/wardens appointed only 8 are left in service, the remainder has sort alternative employment • Permanent appointments are required. • Ward programme needs to be rolled out further
Public ignorance towards by-laws	<ul style="list-style-type: none"> • Awareness campaigns • Aggressive patrolling's in terms of high visibility (foot patrols etc.). • Consistent operations throughout the whole TWK jurisdiction.
Vehicle shortage	<ul style="list-style-type: none"> • Fleet Management to budget and procure additional vehicles
Impoundment of animals	<ul style="list-style-type: none"> • Vehicle shortage to impound animals • Upgrading of pound • New by-law to be workshopped with the public prior to promulgation
Shortage of communication systems	<ul style="list-style-type: none"> • Cell phones, two way hand radio's to be budgeted for
Protective tools	<ul style="list-style-type: none"> • Firearms, bullet proofs, handcuffs, Tomfa
Training	<ul style="list-style-type: none"> • Crowd control to assist with marches • Firearm training
Taxi violence	<ul style="list-style-type: none"> • Provincial support

Chapter 4

3.22 DISASTER MANAGEMENT

Disaster management in the Theewaterskloof Municipality is co-managed with the Overberg Disaster and fire management.

The Overberg District Municipality provides backup in the form of fire fighting and Disaster management equipment and personal.

The different areas serviced by the Overberg Fire brigade are: Caledon, Botriver, Tesselaarsdal, and Middelton. Riviersonderend and Greyton/Genadendal are serviced by Caledon Fire Station. Grabouw and Villiersdorp are serviced by Grabouw Fire station. Any other major incident is being backup by Bredasdorp main fire brigade.

Greyton and Genadendal have experienced difficulties with respond time from Caledon as a result a satellite station was established in Greyton equipped with volunteer fire fighters and a fire vehicle.

Theewaterskloof Disaster management also acts proactively to prevent disaster incidents by cleaning and clearing rivers. These projects include: Gobos River in Greyton, Palmiet River in Grabouw and small contributory rivers in Caledon and Villiersdorp.

We also prevent veld and bush fires by creating fire breaks around all major hot spots, towns and farms. Clearing off alien vegetation by Disaster management also contributes to fire prevention.

Theewaterskloof disaster management further contributes to rescue incidents by contributing to a Helicopter fund at Overberg district Municipality Fire and Rescue. This helicopter is operational during; fire fighting and rescue operations during floods.

3.22.1 EMPLOYEES: DISASTER MANAGEMENT

Job Level	Employees: Disaster Management					
	Year - 1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	%
	No.	No.	No.	No.		
0 - 3						0%
4 - 6						0%
7 - 9						0%
10 - 12						0%
13 - 15	1	1	1	0		0%
16 - 18						0%
19 - 20						0%
Total	1	1	1	0		0%

Chapter 4

3.22.2 FINANCIAL PERFORMANCE: DISASTER MANAGEMENT

Financial Performance : Disaster Management, Animal Licencing and Control							R'000
Details	'2011/12		'2012/13			Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget				
Total Operational Revenue		20	5	-			-100%
Expenditure:							
Employees							
Repairs and Maintenance	431	220	280	274			-2%
Other	726	414	406	221			-45%
Total Operational Expenditure	1 157	634	686	495			-28%
Net Operational Expenditure	1 157	614	681	495			-27%
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

New light was shown when government allocated 15% of all MIG funds for the upgrading of municipal sporting facilities.

3.23.1 SPORT AND RECREATION: HIGHLIGHTS/CHALLENGES AND SERVICE STATISTICS

HIGHLIGHTS	
TOWN	DESCRIPTION
Myddelton	New mini sports facility
RSE	Upgrade of existing sport facility
Grabouw	4 new play parks, Bosbou, Bert, Bink and Gafferley
Villiersdorp	1 new Play park- Extension 11
Caledon	1 new Play park, Uitsig
Botriver	1 new Play park
Greyton	1 new Play park

Chapter 4

3.23.2 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and Recreation						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3					0%	
4 - 6					0%	
7 - 9					0%	
10 - 12					0%	
13 - 15	1	1	1	0	0%	
16 - 18					0%	
19 - 20					0%	
Total	1	1	1	0	0%	

3.23.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation						
Details	2011/12		2012/13			R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	(1 016)	264	174	(821)	-572%	
Expenditure:						
Employees	3 990	4 658	4 333	3 962	-9%	
Repairs and Maintenance	1 854	1 607	1 656	1 680	1%	
Other	685	1 137	1 227	818	-33%	
Total Operational Expenditure	6 529	7 402	7 216	6 460	-10%	
Net Operational Expenditure	7 545	7 139	7 042	7 281	3%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.						

Chapter 4

3.23.4 CAPITAL EXPENDITURE: SPORT AND RECREATION

Capital Expenditure: Sport and Recreation						R' 000
Capital Projects	Year 2012-13					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	---	812	695			
Sportsfields Riviersonderend	—	406	334		406	
Sportsfields Myddlebn	—	406	361		406	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

3.24.1 EMPLOYEES: EXECUTIVE AND COUNCIL

Employees: The Executive and Council						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3					0%	
4 - 6					0%	
7 - 9	1	1	1	0	0%	
10 - 12	2	2	2	0	0%	
13 - 15					0%	
16 - 18	2	2	2	0	0%	
19 - 20					0%	
Total	5	5	5	0	0%	

Chapter 4

3.24.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance : The Executive and Council							R'000
Details	'2011/12		'2012/13			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	5 495	6 271	7 325	8 363		14%	
Expenditure:							
Employees	22 205	34 344	34 344	32 274		-6%	
Repairs and Maintenance	48	87	103	106		3%	
Other	24 145	16 044	17 781	9 840		-45%	
Total Operational Expenditure	46 398	50 475	52 228	42 221		-19%	
Net Operational Expenditure	40 903	44 204	44 902	33 858		-25%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

3.24.3 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

Capital Expenditure: The Executive and Council Executive and Council							R'000
Capital Projects	Year 2012/2013						
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget	Total Project Value		
Total All	350	1 610	1 021	192%			
Electricity Contingency	—	4	4		4		
Upgrading of council chambers	—	350	—		—		
Upgrading of toilets and offices	300	300	183	-39%	183		
Technical Offices	—	33	49		49		
Victoria Hall	—	640	589		589		
Destiny Toilets	—	171	170		170		
Multi Purpose Bus	—	62	—		—		
Construct toilets for disabled pe	50	50	26	-48%	26		

Chapter 4

3.25 FINANCIAL SERVICES

During the 2011 workshop a Financial Sustainability was identified as the highest priority for the municipality. A Turnaround Strategy was adopted and a Steering Committee established to guide and manage this strategy. Specific low hanging fruit projects have also already been adopted by such a committee.

During this project it was obvious that the functioning and results of the Revenue Section is critical to financial sustainability and it is the area that we should be focussing on.

3.25.1 FINANCIAL SERVICES: CHALLENGES

Challenges	Description
Revenue Section	Collection rate is too low
Small grants we are receiving from National	The Fiscal Model has become out-dated
Narrow rates base	Not enough people and organisations to contribute towards the financial capacity of the municipality
A weak revenue stream	Due to the relative small revenue out of electricity as most of the reticulation is done by ESCOM

The problem is that expectations and frustrations of the poorest of the poor are escalating by the day and the municipality is simply not able to respond due to lack of funding.

Some of the measures taken to improve the financial performance of the municipality are:

- Active monitoring of income and expenditure as per the predetermined targets
- Active monitoring of financial sustainability projects
- Proper costing of projects (ABC)

Chapter 4

3.25.2 DEBT RECOVERY

Debt Recovery						R' 000
Details of the types of account raised and recovered	Year -1		Year 0		Proportion of accounts value billed that were collected %	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year		
Property Rates	43,226	81%	48,414	40,043	82.71%	
Electricity - B	4,912	94%	5,427	5,166	95.18%	
Electricity - C	49,726	94%	54,940	52,292	95.18%	
Water - B	3,169	69%	3,157	2,197	69.61%	
Water - C	32,085	69%	31,956	22,244	69.61%	
Sanitation	16,074	76%	18,460	14,552	78.83%	
Refuse	14,623	69%	18,025	13,703	76.02%	
Other	166		—	—		

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

3.25.3 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services						
Job Level	Year -1		Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0 - 3					0%	
4 - 6	7	7	5	2	29%	
7 - 9	36	36	36	0	0%	
10 - 12	5	5	4	1	20%	
13 - 15	4	4	4	0	0%	
16 - 18	1	1	1	0	0%	
19 - 20					0%	
Total	53	53	50	3	6%	

Chapter 4

3.25.4 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance Year 2012/13: Financial Services							R'000
Details	'2011/12		'2012/13			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	56 464	47 399	51 623	67 935		32%	
Expenditure:							
Employees	12 515	13 521	13 021	12 180		-6%	
Repairs and Maintenance	388	400	400	552		38%	
Other	9 909	9 388	9 438	10 099		7%	
Total Operational Expenditure	22 812	23 309	22 859	22 830		0%	
Net Operational Expenditure	(33 653)	(24 090)	(28 764)	(45 104)		57%	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

3.25.5 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure Year 2012-13: Financial Services							R'000
Capital Projects	Year 2012-13						Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance Form original budget			
Total All	35	35	43	24%			
Inventory Items	35	35	43	24%			
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>							

The variance relating to the net operating expenditure for Financial Service amounts to 47% for 2012/2013. The municipality projected that it will realize a profit of R3.7m on the sale of assets. The unpredictability of public auctions caused the municipality to make a loss of R1.8 m instead. The total variance (in R) amounts to R5.5m.

Furthermore the municipality was going through budget reforms and in the process of GRAP implementation.

This meant that at year end the municipal budget was not properly aligned to financial statements (GRAP requirements). The inclusion of administrations charges in the one and the exclusion thereof in the other was largely responsible for the variance between actual net expenditure and budgeted net expenditure (R14m).

Financial Services only made provision for inventory items on the capital budget. The overspending of the capital budget is attributable to the filling of vacancies during the year.

Chapter 4

3.26 HUMAN RESOURCE SERVICES

3.26.1 EMPLOYEES: HUMAN RESOURCES

Employees: Human Resource Services						
Job Level	Year -1		Year 0		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)		
	No.	No.	No.	No.		%
0 - 3						0%
4 - 6						0%
7 - 9						0%
10 - 12	2	4	4	0		0%
13 - 15	2	2	2	0		0%
16 - 18						0%
19 - 20						0%
Total	4	6	6	0		0%

3.26.2 FINANCIAL PERFORMANCE: HUMAN RESOURCES

Financial Performance : Human Resource Services							R'000
Details	2011/2012	2012/2013				Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	4 862	5 073	5 280	5 652	7%		
Expenditure:							
Employees	3 750	3 384	3 384	2 176	-36%		
Repairs and Maintenance	-	-					
Other	2 518	2 842	3 424	3 080	-10%		
Total Operational Expenditure	6 268	6 226	6 808	5 256	-23%		
Net Operational Expenditure	1 406	1 152	1 528	(396)	-126%		
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget							

Chapter 4

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

The municipal ICT Steering Committee (ICTS) is mandated to make decision with regards to the municipal ICT and responsible for ICT governance. The Auditor General report highlighted 7 findings for the 2011/12 financial year. Under the guidance of the ICTS the latter 7 findings, was resolved with only 2 unresolved findings, which was not directly the responsibility of the ICT division.

In terms of the yearly audits performed by the Auditor General, the ICTS receives monthly reports on the status of these audits and the mitigating processes to resolve any issues that may arise.

The ICT division has also implemented an ICT auditing system that monitors and reports the status of the entire ICT environment. This report is submitted to and scrutinized on a monthly by the ICTS.

In March 2013 a plan was presented to the ICTS to establish ICT governance and security in terms of the ISO27000 standards. This was generally accepted by the ICTS and will also be included in the ICT Master Systems Plan.

Other initiatives of ICT included:

- The establishment of the Overberg ICT Forum that focuses on shared services.
- e-Participation to enhance community communication.
- Cost savings projects
- The redesign of the municipal website to be more interactive and aligned with future developments.
- Implementation of a Disaster Recovery Plan
- Implementation of various policies and Standard Operating Procedures

For the 2012/13 financial year our capital projects included the upgrading of 30 desktop computers, 2 main frame servers, the implementation of 2 Uninterruptable Power Supply systems and the replacement of 2 receipt printers. The ICT offices and main data-centre was also overhauled and relocated to a more secure location that is aligned with best practices and Audit General provisions, such as access and environmental controls.

3.27.1 EMPLOYEES: ICT SERVICES

Employees: ICT Services						
Job Level	Year -1		Year 0		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)		
	No.	No.	No.	No.		%
0 - 3						0%
4 - 6						0%
7 - 9						0%
10 - 12	1	1	1	0		0%
13 - 15	1	1	1	0		0%
16 - 18						0%
19 - 20						0%
Total	2	2	2	0		0%

Chapter 4

3.27.2 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance 3: ICT Services							R000
Details	Year -2011-12		Year 2012-13			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	4 368	5 199	5 199	5 199		0%	
Expenditure:							
Employees	764	687	687	721		5%	
Repairs and Maintenance	—						
Other	2 639	4 094	3 803	2 953		-22%	
Total Operational Expenditure	3 403	4 781	4 491	3 673		-18%	
Net Operational Expenditure	(965)	(418)	(709)	(1 526)		115%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

3.28.1 EMPLOYEES: PROPERTY MANAGEMENT, LEGAL, RISK MANAGEMENT AND PROCUREMENT

Employees: Property; Legal; Risk Management; and Procurement Services						
Job Level	Year -1		Year 0		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	No.	%
0 - 3	No.	No.	No.	No.	No.	%
4 - 6	0	0	0	0	0	0%
7 - 9	3	3	3	3	3	0%
10 - 12	1	1	1	1	1	0%
13 - 15	4	4	4	4	4	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	8	8	8	8	8	0%

Chapter 4

3.28.2 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT, LEGAL, RISK MANAGEMENT AND PROCUREMENT

Financial Performance : Property; Legal; Risk Management and Procurement Services							R'000
Details	2011/2012	Year 2012-13				Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	(236)	1 823	1 576	(525)		-133%	
Expenditure:							
Employees	829	1 767	1 767	913		-48%	
Repairs and Maintenance	-	1 716	1 760	-		-100%	
Other	167	4 880	3 611	744		-79%	
Total Operational Expenditure	996	8 364	7 138	1 657		-77%	
Net Operational Expenditure	1 233	6 541	5 562	2 182		-61%	
Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.							

3.28.3 MUNICIPAL PROPERTY SOLD AND INCOME GENERATED

ERF Number	Town	Selling Price
2429	Caledon	155 300.00
2811	Villiersdorp	3 500.00
2454	Caledon	45 500.00
2449	Caledon	45 500.00
2448	Caledon	45 000.00
2432	Caledon	35 000.00
2446	Caledon	45 500.00
2471	Caledon	45 500.00
2445	Caledon	46 000.00
2484	Caledon	46 000.00
2465	Caledon	46 000.00

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The municipality currently employs 552 officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	2011/2012		2012/2013		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	52	52	50	2	4%
Waste Water (Sanitation)	49	49	43	6	14%
Electricity	19	19	17	2	12%
Waste Management	29	29	29	0	0%
Housing	9	11	11	0	0%
Waste Water (Stormwater Drainage)	67	67	67	0	0%
Roads	102	102	97	5	5%
Traffic	46	46	44	2	5%
Town Planning	8	8	6	2	33%
Local Economic Development Planning (Strategic & Regulatory/IDP)	2	2	2	0	0%
Finance	2	2	2	0	0%
Administration	53	53	50	3	6%
HR	32	32	32	0	0%
IT	6	6	6	0	0%
Property Management	2	2	2	0	0%
Parks	3	3	3	0	0%
Libraries	60	59	58	2	3%
Valuations	30	30	29	1	3%
Internal Audit	1	1	1	0	0%
Totals	577	577	552	25	0%
				0	

Chapter 4

Vacancy Rate: Year 2012/13				
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %	
Municipal Manager	0	0	0.0%	0.00
CFO	0	0	0.00	0.00
Other S57 Managers (excluding Finance Posts)	0	0	0.00	0.00
Other S57 Managers (Finance posts)	0	0	0.00	0.00
Police officers	0	0	0.00	0.00
Traffic & Law Enforcement	46	2	4.35	5.81
Senior management: Levels 13-15 (excluding Finance Posts)	17	1	5.81	0.00
Senior management: Levels 13-15 (Finance posts)	0	0	0.00	25.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	12	3	25.00	8.33
Highly skilled supervision: levels 9-12 (Finance posts)	12	1	8.33	8.00
Total	87	7	8.00	

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2009/10	560	32	5.71%
2010/11	572	42	7.34%
2011/12	569	29	5.10%
2012/13	577	43	7.45%

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. The critical challenge for the current administration is to attract and retain scarce skills in the workplace.

The turnover rate shows an increase from 5.71 % in 2009/10 to 7.45% in 2012/13.

Our turnover rate for the past years has been below 10% which indicates that it is well within in National and International benchmarks. This rate can be attributed to normal attrition, staff leaving for better prospects as well as through the disciplinary process.

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource division comprises of HR Administrative Services. This section is responsible for the administration of leave, fringe benefits, medical aid contributions and housing schemes including the Occupational Health and Safety section, as well as the Training and skills development.

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	In Process of being Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action (Employment Equity)	x		15 September 2011.
2	Attraction and Retention		x	
3	Code of Conduct for employees	x		Schedule 2 – Municipal Systems Act [Act 32 of 2000]
4	Delegations, Authorisation & Responsibility	x		Revised by council 24 th March 2011- new council adopted on 31 May 2011
5	Disciplinary Code and Procedures	x		Negotiated on Bargaining Council Level (Adopted 01 July 2010)
6	Essential Services		x	Parties could reach an agreement on the services that was identified as Essential. The Draft Agreement will be discussed at the Local Labour Forum meeting that is scheduled for 25 July 2012.
7	Employee Assistance / Wellness		x	A draft Policy currently under consultation
8	Exit Management	x		Exit interview are held with employees leave the organisation.
9	Grievance Procedures	x		In terms of Main Collective Agreement that was adopted on Bargaining Council Level on 01 May 2007
10	HIV/Aids	x		20 March 2013
11	Human Resource and Development		x	A draft Policy currently under consultation
12	Information Technology	x		Policy was adopted on 15 September 2011

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	Name of Policy	Completed	In Process of being Reviewed	Date adopted by council or comment on failure to adopt
13	Job Evaluation	x		All Job Evaluation completed in terms of the T.A.S.K Job Evaluation System.
14	Leave	x		20 March 2013
15	Occupational Health and Safety	x		Policy adopted by Council on 29 July 2010
16	Official Housing (subsidy)	x		Adopted at bargaining council level
17	Travel and Subsistence	x		Policy reviewed and approved 29 July 2010
18	Official transport to attend Funerals			none
19	Official Working Hours and Overtime		x	A draft Policy currently under consultation
20	Organisational Rights	x		Main Collective Agreement - Adopted on Bargaining Council Level
21	Payroll Deductions	x		Statutory deductions
22	Performance Management and Development	x		January 2010
23	Recruitment, Selection and Appointments	x		Employment Practice Policy adopted on 15 September 2011.
24	Remuneration Scales and Allowances	x		As per Salary and Wage Collective Agreement - Adopted on Bargaining Council Level.
25	Resettlement	x		Current policy
26	Sexual Harassment	x		Adopted on 29 July 2010
27	Skills Development	x		Workplace Skills Plan - Adopted on 30 June 2011.
28	Smoking	x		Adopted on 26 May 2008
29	Bursary	x		Adopted on 15 October 2008
30	Substance Abuse	x		Adopted on 15 September 2011
31	Uniforms and Protective Clothing	x		Adopted on 29 July 2010
32	Transport Policy	x		Adopted on 24 April 2012
33	Medical Assistance for former employees	x		Adopted on 05 May 2011
34	Induction	x		Adopted 7 August 2012
35	Scarce Skills	x		20 March 2013

All HR Policies are discussed by the Policy Working Group that comprises of top Management and representatives from the Unions, where after it is referred to the Local Labor Forum for approval. Good progress is being made with the adoption of HR Policies and procedures, and we are well within our target of adopting at least 2 policies in a year.

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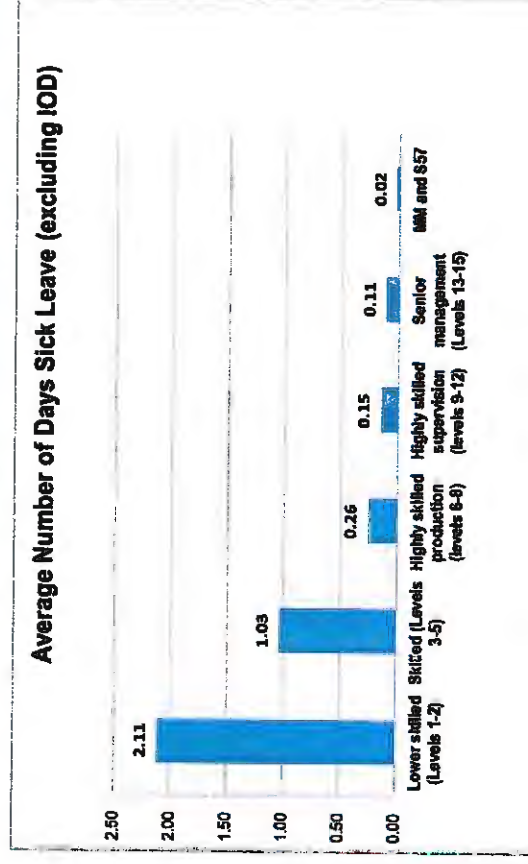
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Type of injury	Number and Cost of Injuries on Duty				
	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	152	40	26%	30	60
Temporary total disablement	105	3	3%	21	
Permanent disablement	365	1	0%	73	
Fatal					
Total	622	44	7%	124	60

Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

Salary band	Number of days and Cost of Sick Leave (excluding injuries on duty)					
	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	1404	15%	188	322	2.11	R 346 480.00
Skilled (Levels 3-5)	685	30%	113	210	1.03	R 283 637.00
Highly skilled production (levels 6-8)	172	34%	36	62	0.26	R 114 392.00
Highly skilled supervision (levels 9-12)	100	29%	20	39	0.15	R 87 983.00
Senior management (Levels 13-15)	72	16%	13	26	0.11	R 90 948.00
MM and S57	15	6%	2	6	0.02	R 45 785.00
Total	2448	22%	372	665	3.68	969225

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The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Man Traffic	Corruption	7-Jun-12	Resigned	01/3/2013

In terms of the Disciplinary Code only officials from other departments or from other municipalities can be appointed as Presiding Officers and Employer Representatives. The availability of the officials is a huge problem. There are simply not enough officials with the necessary expertise and knowledge to handle disciplinary hearings. The Code further states that the Employer Representative must be at a level more senior than the employee(s) who is/are being charged, which makes the "pool" of available officials even smaller.

Another factor is the constant requests for postponements from the Unions

All officials post level T14 to T17 were sent on an Initiator and Chairperson training and hopefully this initiative will speed up the finalization of the disciplinary hearings.

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Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Manager Housing	Corruption / Dishonesty - 4000 000.00	YES (NOT GUILTY)	21/12/2012
Manager Traffic	Corruption / Dishonesty - 1000 000.00	YES (RESIGNED)	01/03/2013
Law Enf. Officer	Theft / Dishonesty - 60.00	YES (RESIGNED)	28/06/2013
Manager Income	Gross Negligence - 424 804.00	YES	In process
Head Income	Negligence - 424 804.00	YES	In process
Gen Worker	Theft - 2000.00	YES (GUILTY)	28/02/2013

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Gender	Total number of employees in group	Beneficiary profile		
			Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
Lower skilled (Levels 1-2)	Female	22	0	0	0%
	Male	78	0	0	0%
Skilled (Levels 3-5)	Female	45	0	0	0%
	Male	143	0	0	0%
Highly skilled production (levels 6-8)	Female	55	0	0	0%
	Male	81	0	0	0%
Highly skilled supervision (levels 9-12)	Female	38	0	0	0%
	Male	68	0	0	0%
Senior management (Levels 13-15)	Female	12	0	0	0%
	Male	21	0	0	0%
Mq and S57	Female	0	0	0	0%
	Male	6	6	R 555 852.00	100%
Total		569	6		

The implementation of performance management to lower levels of staff will be cascaded in the 2014/15 financial year. The Performance policy will be revised in the 2013/14 financial year to include individual performance. Performance measurement will be cascaded annually (descending) to one post level

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

Policies for internal bursaries are in place. The training committee which follows a well-organized procedure involving all relevant role-players meets on a monthly basis after the local labor forum meeting. Transparent regulation of all courses involves the unions SAMWU and IMATU in all decision making.

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4.5 SKILLS DEVELOPMENT AND TRAINING

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0				Skills Matrix			
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Actual: End of Year - 2011	Actual: End of Year - 2012	Actual: End of Year - 2011	Actual: End of Year - 2012	Actual: End of Year - 2011	Actual: End of Year - 2012	Actual: End of Year - 2011	Actual: End of Year - 2012
			Target	Target	Target	Target	Target	Target	Target	Target
MM and ss7	Female									
	Male	6				6	6	6	6	6
Councilors, senior officers and managers	Female	17			13	3	16	5	18	8
	Male	34			6	24	30	16	18	40
Technicians and associates	Female	1			1				1	1
	Male	44			21	10	20	2	21	12
Professionals*	Female	11			4	7	6	3	7	10
	Male	23			13	6	23	8	26	19
Sub total	Female	29		1	18	11	23	8	26	32
	Male	107			40	51	57	18	60	98
Total		136	0	0	2	58	80	26	158	260

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Financial Competency Development: Progress Report*

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting officer	1	0	1	0	1	0
Chief financial officer	1	0	1	1	1	1
Senior managers	4	0	4	1	4	1
Any other financial officials	30	0	30	9	0	9
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1		0	0
Supply chain management senior managers	1	0	1		0	0
TOTAL	38	0	38	11	6	11

The table below indicates that a total amount of R 407 352 were allocated to the Workplace skills plan and that 96% of the total amount was spent in the 2012/13 financial year:

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Skills Development Expenditure										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2011/2012								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female										
	Male	6					54101	54101	54101	54101	
Legislators, senior officials and managers	Female	17						40100	40100	40100	
	Male	35									
Professionals	Female	12				17600	17600			17600	
	Male	9	15785		12300	12300			28085	12300	
Technicians and associate professionals	Female	2				7000	7000		7000	7000	
	Male	42				29741	29741		29741	29741	
Clerks	Female	82				144285	144285		144285	144285	
	Male	35				36200	36200		36200	36200	
Service and sales workers	Female	15				17123	17123		17123	17123	
	Male	31				33117	33117		33117	33117	
Plant and machine operators and assemblers	Female	3									
	Male	50				11100	11100		11100	11100	
Elementary occupations	Female	42				31441	31441		31441	31441	
	Male	188				389119	389119		389119	389119	
Sub total	Female	128				186008	186008	40100	40100	226108	
	Male	158	15785		111358	111358	54101	54101	181244	165459	
Total		286	15785	0	297366	297366	94201	94201	407352	391567	

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance (excluding councilor remuneration) for the past three financial years and that the municipality is well within the national norm of between **35 to 40%**:

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage (%)
2008/09	74 296	199 046	37
2009/10	89 964	244 528	37
2010/11	96 475	257 309	37
2011/12	109 179	323 811	34
2012/13	107 707	365 057	29.5

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded			
Beneficiaries		Gender	Total
Lower skilled (Levels 1-2)		Female	0
		Male	0
Skilled (Levels 3-5)		Female	0
		Male	0
Highly skilled production (Levels 6-8)		Female	0
		Male	0
Highly skilled supervision (Levels9-12)		Female	0
		Male	0
Senior management (Levels13-16)		Female	0
		Male	0
MM and S 57		Female	0
		Male	0
Total			0

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Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Legislators	4	Various	Various	Evaluated lower - Personal to Incumbent
Professionals	0	N/A	N/A	N/A
Technicians	2	Various	Various	Evaluated lower - Personal to Incumbent
Clerks	32	Various	Various	Evaluated lower - Personal to Incumbent
Service Works	2	Various	Various	Evaluated lower - Personal to Incumbent
Plant & Machine	1	Various	Various	Evaluated lower - Personal to Incumbent
Elementary	1	Various	Various	Evaluated lower - Personal to Incumbent

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
none				



Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The following are key notes taken from the financial statement for the 2012/2013 financial year.

The municipality over spent on its operating budget by 22,8% and under spent on its capital budget by 9,3%.

The municipality collect R377,277,696 in revenue and incurred expenditure of R365,056,651

Debtors collection period worsen from 28 days (2011/2012) to 34 days (2012/2013)

During a tough economic year, the municipality had to introduce initiatives to handle and deal with price increase, especially those attributable to inflationary increases.

The municipality has an established and fully functional Financial Sustainability Committee, with the primary task of ensuring that the municipality remains financial sustainable for the foreseeable future. This committee is also responsible for introducing and managing cost-saving and revenue enhancing projects.

During the 2012/2013 financial year the municipality looked to decrease expenditure on both non-essential and essential items as it is well aware that public spending is a factor in rising inflation.

The municipality put stronger emphasis on luring investment to the area. The Victory Mall opened its doors in the 2012/2013 financial year. The municipality is also in the process of formulating an investment incentive policy. Influx of people into the area put further pressure on the municipality to increase spending. Therefore initiatives are currently being research to control influx of unemployed and unskilled people into the area.

Those inflationary increases that cannot be absorbed by the above mentioned initiatives are automatically transferred into municipal tariffs.

During the 2012/2013 financial year the municipality only appointed three consultants:

Mubeko Africa

Dombo du plessis & Partners

ICE Group

The table below contains consultants with the highest contract values in place during the 2012/2013 financial year.

Name of consultant	Type of service	Date of appointment	Value of award
AL Abbott & Associates	Provision of Services: Taking of Water and Sewage Samples, Analyzing and Monitoring it in the Towns of Botrivier, Caledon, Genadendal, Grabouw, Greyton, Riviersonderend and Villiersdorp for the Period from 01 December 2011 to 30 November 2012	January 2012	1,722,529
Dombo du Plessis & Partners	Provision of Professional Service: Grabouw Reservoir and Bulk Water Supply Pipeline and WTW Pump station Upgrading Phase5	May 2013	1,336,621

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Name of consultant	Type of service	Date of appointment	Value of award
Mubeko Africa	Compilation of AFS and Updating of FAR and Classification in terms of GRAP for a Three (3) Year Period	April 2013	1,678,140
ICE	Provision of Professional Services: Villiersdorp Reservoir and Bulk water upgrade	September 2012	583,851
Arcus Gibb	Upgrading of the IMQS computer system	April 2013	1,437,272

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Revenue Collection Performance by Vote							R '000
Vote Description	2011 / 12	2012-13		2012-13 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - Executive & Council	5 096	6 271	7 325	8 363	33%	14%	
Vote 2 - Finance & Admin	95 042	98 967	105 607	225 210	128%	113%	
Vote 3 - Planning & Development	1 620	1 731	3 091	(441)	-125%	-114%	
Vote 4 - Community & Social Services	4 574	6 040	6 090	5 276	-13%	-13%	
Vote 5 - Housing	-	318	318	(795)	-350%	-350%	
Vote 6 - Public Safety	3 039	5 734	5 418	4 169	-27%	-23%	
Vote 7 - Sport & Recreation	(212)	264	174	(821)	-411%	-572%	
Vote 8 - Environmental Protection	-	-	-	(100)			
Vote 9 - Waste Management	20 277	23 495	23 245	20 855	-11%	-10%	
Vote 10 - Waste Water Management	17 927	21 516	20 156	19 130	-11%	-5%	
Vote 11 - Roads Transport	3 878	5 440	4 773	2 514	-54%	-47%	
Vote 12 - Water	37 466	46 780	44 592	33 478	-28%	-25%	
Vote 13 - Electricity	58 989	67 020	65 500	61 356	-8%	-6%	
Vote 14 - Other	55 406	75 936	87 883	(108)	-100%	-100%	
Total Expenditure	303 101	359 511	374 172	378 085	5%	1%	

Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A4 Budgeted Financial Performance (Revenue and expenditure)

Description	2012/2013															2011/2012																		
	Revenue By Source															Expenditure By Type																		
R thousand	1		2		3		4		5		6		7		8		9		10		11		12		13		14		15					
	Original Budget	Adjusted Budget (f.o. 528 and MFMA)	Final Budget	Final Budget	Shifting of funds (f.o. 531 of the MFMA)	Virement (f.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported expenditure	Expenditure authorised in MFMA	Balance recovered	Audited Outcome	Original Budget	Adjusted Budget (f.o. 528 and MFMA)	Final Budget	Final Budget	Shifting of funds (f.o. 531 of the MFMA)	Virement (f.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported expenditure	Expenditure authorised in MFMA	Balance recovered	Audited Outcome		
Property rates	43 768	2 134	45 900	4 000	-	-	49 900	48 414	-	-	97%	97%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Property rates - penalties & collection charges	-	-	-	-	-	-	63 303	60 368	-	(2 935)	95%	95%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Service charges - electricity revenue	64 822	(1 520)	63 303	(1 520)	(6 362)	-	63 303	56 114	18 460	436	100%	100%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Service charges - water revenue	43 664	(2 163)	41 475	(2 163)	(6 362)	-	41 475	35 114	18 460	436	100%	100%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Service charges - sanitation revenue	18 594	(1 360)	15 224	(1 360)	-	-	15 224	18 025	18 460	436	102%	102%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Service charges - refuse revenue	17 248	(250)	16 998	(250)	-	-	16 998	18 025	18 460	436	105%	105%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Service charges - other	1 761	(93)	1 668	(93)	(1 668)	-	1 668	-	-	(435)	98%	98%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Rent of facilities and equipment	2 712	12	2 724	(1 328)	-	-	1 368	2 717	7 617	(263)	98%	100%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Interest earned - external investments	1 800	330	2 130	-	-	-	2 130	2 407	7 617	(263)	113%	109%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Interest earned - outstanding debtors	7 000	900	7 900	-	-	-	7 900	7 617	7 617	(283)	98%	109%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Dividends received	5 376	(52)	5 324	-	-	-	5 324	5 488	5 488	162	103%	102%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Fines	3 033	(15)	2 975	-	-	-	2 975	2 655	2 655	251	102%	102%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Agency services	2 015	2 000	2 375	-	-	-	2 375	2 655	2 655	251	111%	111%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Transfers recognised - operational	79 029	2 750	81 779	3 032	-	-	81 779	84 811	84 811	(3 032)	98%	97%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Other revenue	6 086	1 973	8 070	(3 032)	-	-	4 038	84 811	84 811	(80 773)	77%	48%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Gains on disposal of PPE	3 750	750	4 500	-	-	-	4 500	4 500	4 500	(4 500)	48%	48%	-	-	-	-	42 099	42 099	-	-	54 639	54 639	14 823	16 074	1 106	1 738	7 834	-	2 942	2 942	1 836	110 838	11 898	-
Total Revenue (excluding capital transfers and contributions)	298 655	2 714	301 369	(2 309)	-	-	299 053	298 018	-	(1 035)	100%	100%	-	-	-	-	303 973	303 973	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	203 213	17 453	320 665	(2 368)	-	-	288 287	371 472	70 806	82 190	125%	131%	-	-	-	-	321 319	321 319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	15 442	(14 738)	704	62	-	-	705	(73 453)	-	-	-3589%	-476%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	60 656	11 947	72 603	-	-	-	72 741	82 190	-	-	113%	113%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	76 288	-	73 507	62	-	-	73 506	8 743	-	-	12%	12%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	76 288	(2 791)	73 507	62	-	-	73 506	8 743	-	-	12%	12%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to municipalities	76 288	(2 791)	73 507	62	-	-	73 506	8 743	-	-	12%	12%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus (deficit) of associate	76 288	(2 791)	73 507	62	-	-	73 506	8 743	-	-	12%	12%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	76 288	(2 791)	73 507	62	-	-	73 506	8 743	-	-	12%	12%	-	-	-	-	17 349	17 349	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Chapter 5

Financial Performance of Operational Services							R '000
Description	2011 / 12			2012-13		2012-13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<u>Operating Cost</u>							
Water	(310)	(9 644)	(9 234)	(1 404)	-85.44%	-84.79%	
Waste Water (Sanitation)	3 826	(2 038)	(64)	228	-111.17%	-454.39%	
Electricity	(10 327)	(12 033)	(12 457)	(12 927)	7.43%	3.77%	
Waste Management	4 759	(1 986)	(1 461)	1 391	-169.99%	-195.26%	
Housing	3 867	5 791	5 807	4 280	-26.09%	-26.30%	
Component A: sub-total	1 816	(19 911)	(17 408)	(8 432)	-57.65%	-51.56%	
Roads/(Stormwater Drainage)	20 200	23 544	21 040	21 651	-8.04%	2.90%	
Component B: sub-total	20 200	23 544	21 040	21 651	-8.04%	2.90%	
Planning	9 594	11 329	12 126	11 300	-0.25%	-6.81%	
Local Economic Development	3 080	1 435	1 444	1 334	-7.00%	-7.58%	
Component B: sub-total	12 674	12 763	13 570	12 634	-1.02%	-6.89%	
Planning (Strategic & Regulatory)							
Local Economic Development							
Component C: sub-total	-	-	-	-			
Community & Social Services	(6)	(1 245)	(1 294)	725	-158.22%	-156.01%	
Environmental Protection	109	(100)	135	124	-224.17%	-8.08%	
Security and Safety	1 738	2 534	6 586	(7 194)	-383.88%	-209.22%	
Sport and Recreation	7 545	7 139	7 042	7 281	2.00%	3.39%	
Component D: sub-total	9 385	8 327	12 469	937	-88.75%	-92.49%	
Total Expenditure	44 074	24 724	29 671	26 790	7.71%	-9.71%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments							

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	2011/12		2012/13		2012/13 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government	69 943	86 111	101 337	100 473	17%	-1%	
Equitable share	44 750	53 343	53 343	53 343	0%	0%	
Municipal Systems Improvement	1 336	800	800	941	18%	18%	
Department of Water Affairs		300	300	-			
Levy replacement				-			
Local Government Financial Management Grant (FMG)	1 716	1 500	1 390	1 641	9%	18%	
Municipal Infrastructure Grant (MIG)	19 550	26 174	28 201	28 092	7%	0%	
National Electrification Programme	1 000	3 000	3 000	3 000	0%	0%	
Expanded public works programme (EPWP)	1 464	994	1 930	1 160	17%	-40%	
Neighbourhood Development Programme Grant	127		1 873	1 796		-4%	
Regional Bulk Infrastructure Grant	277	5 500	10 500	10 500	91%	0%	
Provincial Government	38 831	47 374	50 883	44 874	-5%	-12%	
Health subsidy							
Housing	31 624	38 762	40 247	37 308	-4%	-7%	
Ambulance subsidy							
Sports and Recreation		144	144	144	0%	0%	
Local Government Financial Management Grant (FMG)			400	-			
CDW Operational Support Grant	145	189	313	142	-25%	-55%	
Maintenance of proclaimed main roads	2 828	108	108	108	0%	0%	
Library Service conditional Grant	4 234	5 671	5 671	5 671	0%	0%	
Community Centre		2 500	2 500	1 500		0%	
Public Transport Infrastructure Grant			1 500	1 500		0%	
District Municipality:	0	0	62	0			
Multi Purpose Bus		0	62	0			
Other grant providers:							
GIS	1 219	900	2 300	1 780	98%	-23%	
LGSETA	22	-	-	-			
DBSA LEDI	640	-	-	409		-39%	
HAN	557	-	800	368		-7%	
IDC		900	900	837		-7%	
			800	165		-79%	
Total Operating Transfers and Grants	110	134 385	154 581	147 126	9%	-5%	
Variances are calculated by dividing the difference between actual and original/adjustments							

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Variances between actual and original budget was mostly attributed to the fact that roll-overs was not budgeted for.

The following grants had an actual vs. adjustment budget variance greater than 10%:

- **MSIG**

Variance = 15%.

- **EPWP**

Variance = 66%. Previously EPWP was an incentive grant. The municipality would use funds for EPWP and later claim funds back from National Treasury for expenditure incurred.

Expenditure that was incurred was not correctly allocated (allocated to EPWP) after money was received. Therefor the amount received under EPWP accumulated and rolled over for a number of financial years. The EPWP is now a conditional grant and must be spent in accordance to conditions of the grant. The effect was that the municipality struggled to spend the money received in previous financial years in the 2012/2013 financial year

- **CDW**

Variance = 120%.

- **Community Centre**

No expenditure was incurred in respect of the Community Centre Grant.

The transfer of the Grant only realized in March 2013. Thereafter the SCM processes further delayed spending on the Grant. Contracted was only appointed in June 2013. The grant will however be spent within the 2013/2014 financial year.

- **Multipurpose Bus**

No money was spent during the 2012/2013 year. The multipurpose bus was purchases in previous financial year. Due to the nature of the grant the municipality can't use the grant for any other expenditure except expenditure on the multipurpose bus.

- **DBSA LEDI**

Variance = 63%. This is a condition grant with no time limit for grants to be spent.

- **IDC**

Variance = 384%. This is a condition grant with no time limit for grants to be spent.

- **LGSETA**

Variance = 100%

No expenditure budget is allocated to this grant. However provision was made for income amounting to R226, 537. The municipality pays for expenditure incurred and then reclaim from the grant. The expenditure incurred amounted to R409, 000. The nr of employees attending training and workshop exceeded the projected/budgeted amount.

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Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2011/12	Actual Grant 2012/13	2012/13 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - DBSA LEDI	557	466	-			LED
HAN	-	897	-			Youth Development
IDC	-	800				Industrial Development
Foreign Governments/Development Aid Agencies						
Private Sector / Organisations						
Provide a comprehensive response to this schedule						T5.23

5.3 ASSET MANAGEMENT

Overview

Theewaterskloof Municipality have a centralised Asset Management Unit based in Caledon. The unit is responsible for all asset related functions throughout the entire region consisting of eight (8) towns.

Key Elements from the Asset management Policy (AMP)

The proper utilization and management of assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:

- o Delivery of sustainable services;
- o Promotion of Social and economic development;
- o Promoting a safe and healthy environment and,
- o Providing for the basic needs to the community.
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- Stewardship has three components being the:

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- Management, utilization and control by the Municipal Officials.
- Financial administration by the Chief Financial Officer, and
- Physical administration by the Manager: Risk, Assets & Insurance
- Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.
- Accounting standards are set to ensure the appropriate financial treatment for property, plant and equipment. The requirements of these accounting standards include:
 - The compilation of asset registers recording all assets controlled by the municipality.
 - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant and equipment.
 - The standards to which these financial records must be maintained.

The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

The Municipal Manager must take all reasonable steps to ensure that:

- The municipality has and maintains a management, accounting and information system that records all the assets of the municipality;
- The municipality's assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;
- That the municipality has and maintains a system of internal control of assets, including an asset register; and
- That Senior Management comply with this policy.

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipalities' assets is properly recorded.

The Chief Financial Officer must take all reasonable steps to ensure that:

- Appropriate systems of financial management and internal controls are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Directors and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;

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The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

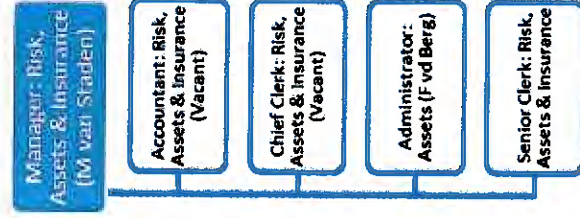
The Directors must take all reasonable steps to ensure that:

- Appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- The assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management systems and controls can provide an accurate, reliable and up to date record of assets under their control.
- They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.
- The purchase of assets complies with all municipal policies and procedures.
- All moveable property, plant and equipment is duly processed and identified and inspected as being in order before it is received into their stewardship.
- All moveable assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular stock takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer.
- Assets are appropriately utilized for the purpose for which the municipality acquired them.

The Director may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed.

Asset Management Unit (AMU)

The organogram extract of the AMU on the next page represent the current human resource allocation.



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There are currently no capacity development initiatives in terms of the AMU.

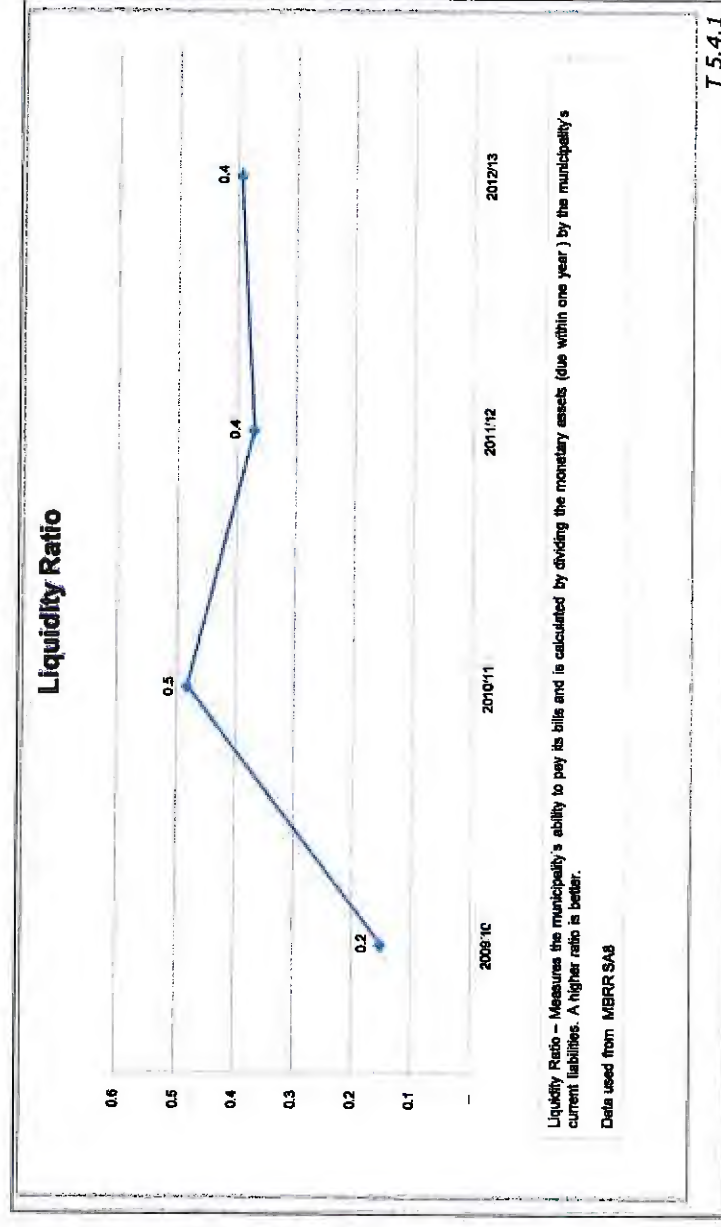
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0						
Asset 1						
Name	Grabouw Water Purification Plant					
Description	Upgrading of Grabouw Water Purification Works - Phase 1 Design,					
Asset Type	Fixed Asset					
Key Staff Involved	N Keyser					
Staff Responsibilities	Project Management					
Asset Value	Year -2009/2010	Year -2010/2011	Year -2011/2012	Year 2012/13	31 085 661.39	
Capital Implications	Maintenance cost and financing					
Future Purpose of Asset	Provision of clean drinking water to a community					
Describe Key Issues	Fast growing community					
Policies in Place to Manage Asset	Asset Management Policy					
Asset 2						
Name	Grabouw Sewerage treatment Work					
Description	Upgrading of Grabouw Sewage Treatment Works: Civil Works Phase					
Asset Type	Fixed Asset					
Key Staff Involved	N. Kayser					
Staff Responsibilities	Project Management					
Asset Value	Year -2009/2010	Year -2010/2011	Year -2011/2012	Year 2012/13	14 600 742.61	
Capital Implications	Maintenance cost and financing					
Future Purpose of Asset	To make provision for and treat the domestic waste generated from					
Describe Key Issues	Fast growing community					
Policies in Place to Manage Asset	Asset Management Policy					
Asset 3						
Name	Villiersdorp Reservoir					
Description	Construction of Villiersdorp Reservoir and Related Connecting Pipe					
Asset Type	Fixed asset					
Key Staff Involved	L. Parnell					
Staff Responsibilities	Project Project Management					
Asset Value	Year -2009/2010	Year -2010/2011	Year -2011/2012	Year 2012/13	7 856 976.51	
Capital Implications	Maintenance cost and financing					
Future Purpose of Asset	Increase the storage capacity of clean drinking water					
Describe Key Issues	shortage of storage capacity					
Policies in Place to Manage Asset	Asset Management Policy					
					7 53.2	

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Repair and Maintenance Expenditure: 2012/13					R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance	
Repairs and Maintenance Expenditure	16 646	17 543	17 849		7.23%

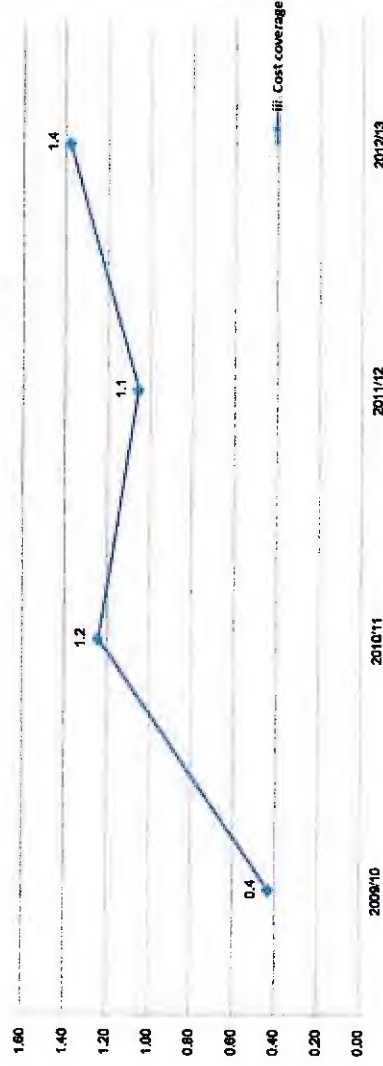
Repairs and maintenance as percentage of PPE will be gradually increased to target of 8% (currently 5.6%). Repairs and Maintenance represent 4.8 % of operating budget vs. the general norm of 10%. The municipality has started placing strong emphasis on repairs and maintenance. These two line items are now being accounted for separately so that it can be determined how much money is being spent on repairs and what portion are being spent on maintenance. It is believed that these two are inverses of each other; increase on the one should translate in a decrease in the other.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5

Cost Coverage



Cost Coverage- It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRRSAS

T 5.4.2

Total Outstanding Service Debtors



Total Outstanding Service Debtors - Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRRSAS

T 5.4.3

Chapter 5

Debt Coverage

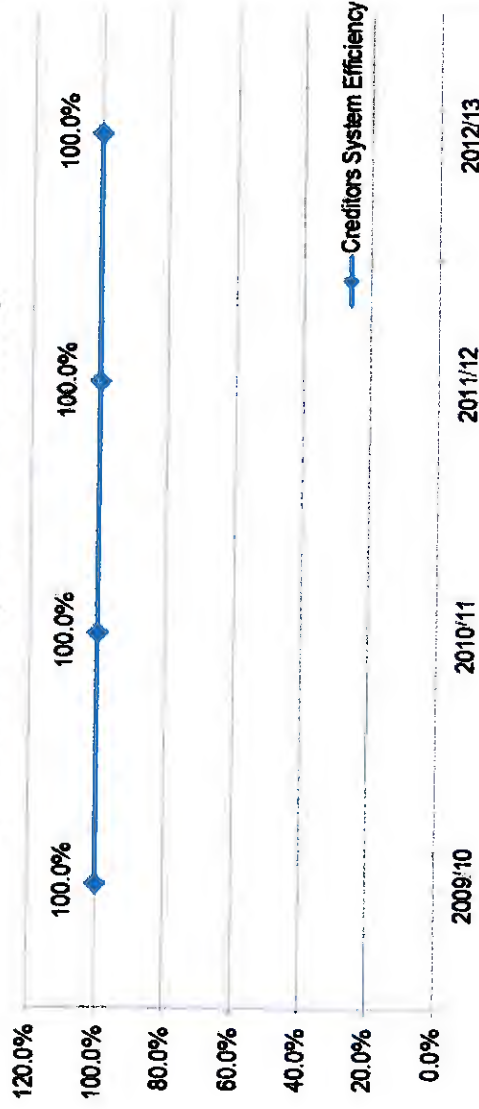


Debt Coverage - The number of times debt payments can be accommodated within operating revenue (excluding grants). This in turn represents the degree to which debt payments can be accommodated by the municipality.

Data used from MBRR SA3

T 5.4.4

Creditors System Efficiency



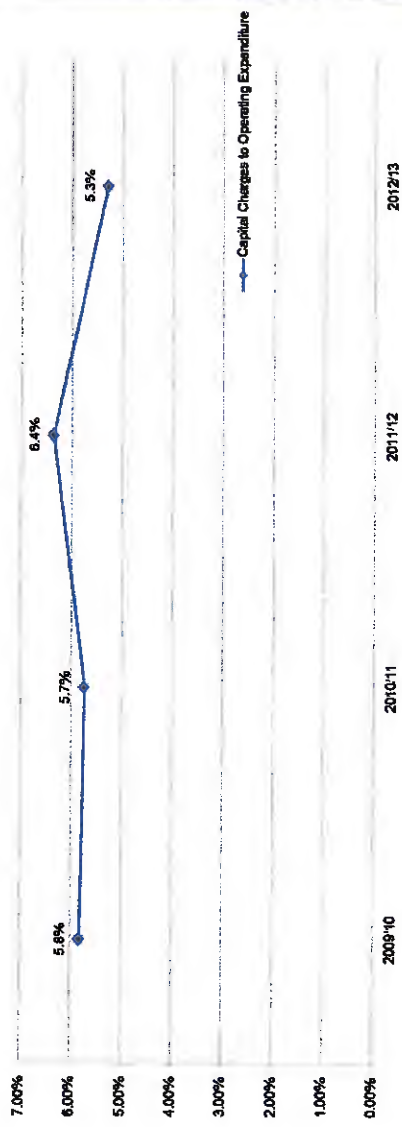
Creditor System Efficiency - The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Chapter 5

Capital Charges to Operating Expenditure

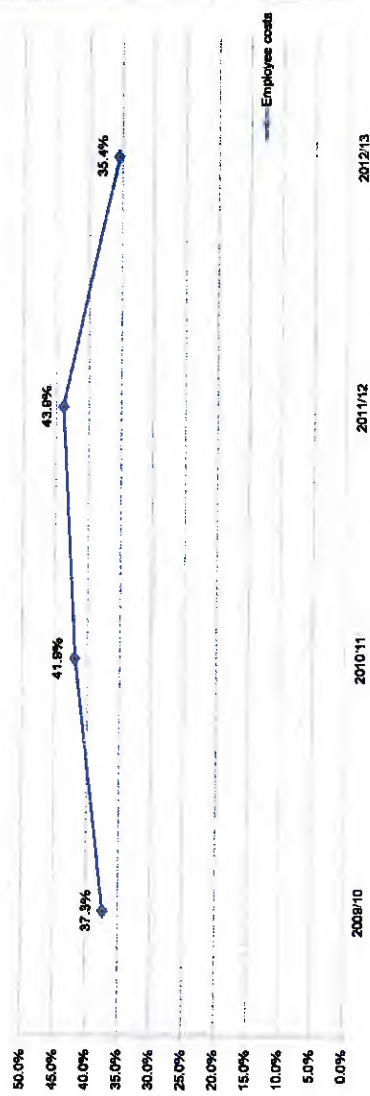


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

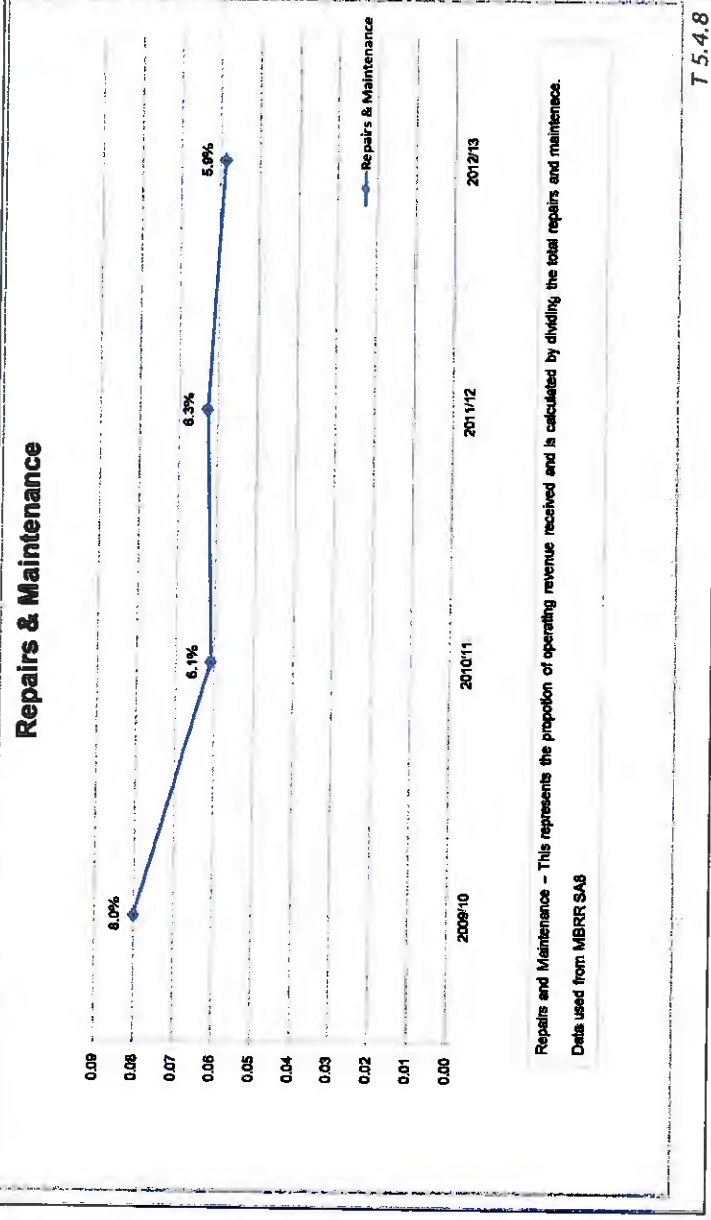


Employee cost - Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

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Ratings Africa recently did an assessment on the financial sustainability of the municipality. Unaudited figures were used however the results from the audited Statements reflect even greater improvement than those figures used by Rating Africa. The draft report by Ratings Africa allocated Theewaterskloof municipality a score of 41 for financial sustainability. This is an improvement from the previous financial year (33). This represents a fairly financially sustainable municipality.

Theewaterskloof is one of the poorest municipalities; the high level of spending by the municipality on infrastructure has obviously effected the financial position, operating performance and liquidity. It is estimated that this high level of spending will benefit service delivery in future.

Over the last three years Theewaterskloof operating performance was relatively weak. Operating expenditure was growing at a much higher rate than revenue. However in 2012/2013 financial year, the municipality turned a deficit of R20, 710, 708 (2011/2012) into a surplus of R12, 221,045.

Liquidity Ratio

There is a difference in calculation between the general calculation of liquidity and the requirements of the annual report. The above ratio indicate a liquidity ratio of 0.4 however the Audit Report shows this ratio to be 0.88. The general norm for liquidity is a ratio of higher than 1.5. Although the ratio improved from the previous financial year TWK's remains under pressure as reflected by the working capital shortfall of ± R8.8m. It is caused by the pressure on the operating performance and the high spending on infrastructure. The collection rate of 85% is not ideal and adds to the liquidity pressures on the municipality.

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Cost Coverage

This ratio indicates the period that the municipality is able to cover expenditure through cash and other liquid assets. The general norm relatively safe ratio is considered to be 1 to 3 months. (A municipality should have at least between one to three months' worth of cash to meet expenditure. Currently Theewaterskloof has a cost coverage ratio of 1.4 months. This means that the municipality available cash (and other liquid assets) are only enough to finance expenditure for ± 43 days. Although this is not ideal, it is an improvement from the previous financial year (1.1 months cash available). The municipality has already introduced ways to improve available cash e.g. Data cleansing, Door to Door debt collection project, traffic fines project etc. All these projects are aimed at revenue enhancement and will have a positive impact on the municipality's cash resources.

Total Outstanding Service Debtors

This measures money owed to the municipality in respect of water, electricity, refuse and sanitation compared to the money paid for these services. The municipality's position worsened during the current financial year. One has to keep in mind that this ratio is affected by the relatively low household income which is well below the national avg. When prices and inflation increases at a greater rate than household income, municipalities suffer the consequences as people now have less money to pay for municipal services (which is generally the last creditor on the household list).

Creditors System Efficiency

The municipality always pays all creditors within 30 days of receiving the invoice as required by the MFMA. The audit report suggested that the municipality in certain instances exceed this period, however this was done by the creditors' invoices amounting to R21m received in July for work performed in June 2013. The invoices were included in the financial statements but the payment of these invoices was excluded.

Employee Related Cost

The ratio measures what portion of your revenue is spent on employees. The ratio for the 2012/2013 was 35.4%, this is a decrease from the 2011/2012 year where 43.9% of revenue was spent on employees. The general norm to measure employee related cost is to see it in the light of total expenditure budget. Because of the labour intensive nature of municipal service delivery, employee cost should not exceed 38% of total expenditure. The municipality's employee related expenditure as a percentage of total expenditure for the 2012/2013 financial year was 30. %. This is within the acceptable norm.

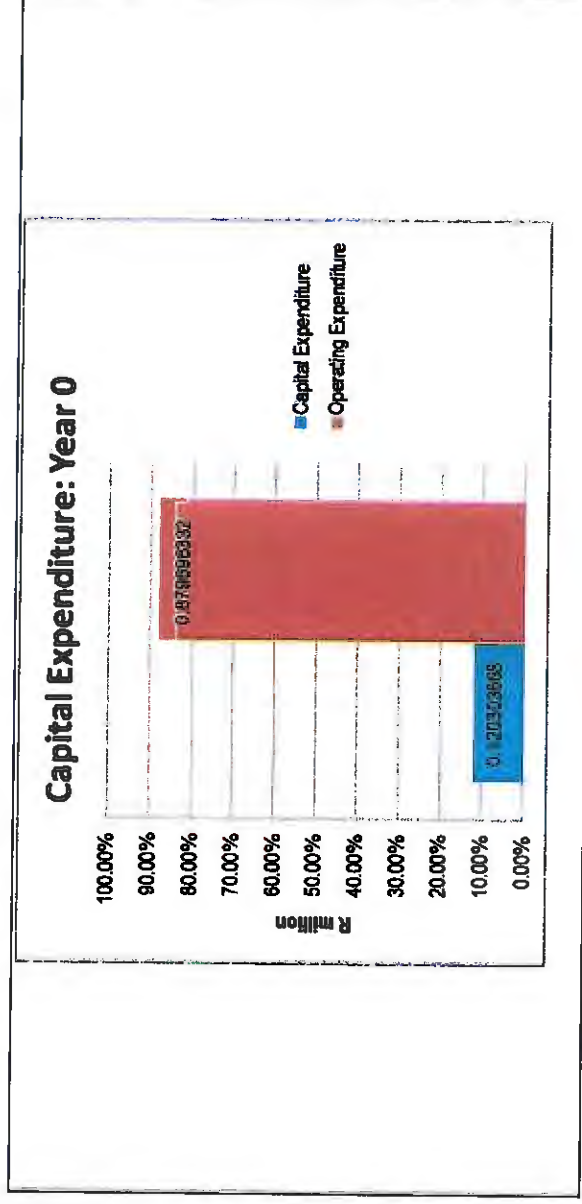
Repairs and Maintenance

The purpose of this ratio is to determine whether municipalities are spending adequate amounts on repairs and maintenance of Property Plant and Equipment in order to maintain the useful life of these assets. The repairs and maintenance ratio above suggest that the municipality has only spent 5.9% of revenue on R&M. The general norm for this ratio is 10% of total expenditure. The municipality had a ratio of 4.8% (of total operational expenditure) for the year 2012/2013. The municipality however will look to increase this percentage to 8% over the next two financial years to ensure that adequate repairs and maintenance are done to enable assets to maintain their useful life.

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources								R' 000
Details	2011/2012		2012/2013					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)		
Source of finance								
External loans	18 576	11	11	5 455	0.00%		48280%	
Public contributions and donations								
Grants and subsidies	42 662	61	67	68 373	10.68%		112252%	
Other	3 663	4	19	14 313	378.52%		362535%	
Total	64 901	76	98	88 141	28%		115758%	
Percentage of finance								
External loans	28.6%	14.8%	11.6%	6.2%				
Public contributions and donations	0.0%	0.0%	0.0%	0.0%				
Grants and subsidies	65.7%	80.0%	69.1%	77.6%				
Other	5.6%	5.2%	19.4%	16.2%				
Capital expenditure								
Water and sanitation	25 634	33	38	30	12.43%	-10%		
Electricity	6 218	9	12	8	35.33%	-7%		
Housing	17 183	24	25	33	6.27%	40%		
Roads and storm water	4 309	5	9	8	74.04%	54%		
Other	11 553	5	14	9	173.42%	74%		
Total	64 898	76	98	88	28%	16%		
Percentage of expenditure								
Water and sanitation	39.5%	43.9%	38.5%	34.2%				
Electricity	9.6%	11.2%	11.8%	8.9%				
Housing	26.5%	31.1%	25.8%	37.5%				
Roads and storm water	6.6%	7.1%	9.6%	9.4%				
Other	17.8%	6.7%	14.2%	10.0%				

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5.7 CAPITAL SPENDING OF 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*							R' 000
Name of Project		Current Year: 2012/13			Variance Current Year: 2012/13		
		Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
A - Low cost housing projects		23 682	25 167	33 113	40%	32%	
B - Upgrading of waste water treatment plan in Grabouw		16 392	22 225	11 890	-27%	-47%	
C - Upgrading of waste water treatment plan in Villiersdorp		5 130	293	237	-95%	-19%	
D - Electrification in Goniwe Park		4 000	3 490	2 779	-31%	-20%	
E - Road Upgrade: Protea Street Dennekruin		3 280	1 970	1 729	-47%	-12%	
* Projects with the highest capital expenditure in Year 1							
Name of Project - A		A - Low cost housing projects					
Objective of Project		Provision of basic human settlements					
Delays							
Future Challenges							
Anticipated citizen benefits							
Name of Project - B		B - Upgrading of waste water treatment plan in Grabouw					
Objective of Project		Treatment of domestic waste generated through the sewerage system					
Delays							
Future Challenges							
Anticipated citizen benefits							
Name of Project - C		C - Upgrading of waste water treatment plan in Villiersdorp					
Objective of Project		Treatment of domestic waste generated through the sewerage system					
Delays							
Future Challenges							
Anticipated citizen benefits							
Name of Project - D		D - Electrification in Goniwe Park					
Objective of Project		Provision of electricity to informal settlements					
Delays							
Future Challenges							
Anticipated citizen benefits							
Name of Project - E		E - Road Upgrade: Protea Street Dennekruin					
Objective of Project		Upgrading and maintenance of roads					
Delays							
Future Challenges							
Anticipated citizen benefits							
							15.7.1

Chapter 5

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS-OVERVIEW

Service Backlogs as at 30 June Year 0				Households (HHs)	
	*Service level above minimum standard		**Service level below minimum standard		
	No. HHs	% HHs	No. HHs	% HHs	
Water	23788	%			%
Sanitation	24153	%			%
Electricity	6000	%			%
Waste management	19196	%		9382	%
Housing		%			%

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport	4 464	6 480	5 772	29%	-11%	
Roads, Pavements & Bridges						
Storm water						
Infrastructure - Electricity	-	525	461		-12%	
Generation						
Transmission & Reticulation						
Street Lighting						
Infrastructure - Water	7 656	7 180	6 299	-18%	-12%	
Dams & Reservoirs						
Water purification						
Reticulation						
Infrastructure - Sanitation	14 054	11 012	9 659	-31%	-12%	
Reticulation						
Sewerage purification						
Infrastructure - Other		977	872		-11%	
Waste Management						
Transportation						
Gas						
Other Specify:						
Total	26 174	26 174	23 062	-12%	-12%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASHFLOW

Cash flow is of vital importance to the health of a business. One saying is: *"revenue is vanity, cash flow is sanity, but cash is king"*. What this means is that whilst it may look better to have large inflows of revenue from sales, the most important focus is cash flow

As municipalities face an extended period of declining revenues and rising costs, cash management becomes an increasingly important function. Utilizing cash reserves to maintain services or incorrectly estimating the timing of cash needs can result in shortages of cash to respond to critical emergency or operational needs, including payroll, debt service payments, equipment failure, lawsuits or unplanned repairs. Ineffective cash management can also result in reduced interest earnings.

During the financial year the following was identified to improve the municipality's cash flow position:

- Increased returns on investments
- Reduced borrowing to meet future cash flow needs
- Improved management of internal cash transfers between funds
- Understanding how new policies and mandates may impact cash position

A negative cash flow would mean that the municipality is receiving less cash than it is spending.

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Cash Flow Outcomes					R'000
Description	2011/2012	2012/2013		Actual	
	Audited Outcome	Original Budget	Adjusted Budget		
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	171 110	193 864	191 718	164 171	
Government - operating	56 428	79 029	79 055	141 135	
Government - capital	58 973	60 856	67 356	10 024	
Interest	9 572	8 800	10 030	1 697	
Public Contributions					
Payments					
Suppliers and employees	-235 203	(256 842)	(257 734)	(210 906)	
Finance charges	-13 867	(15 010)	(14 794)	(12 780)	
Transfers and Grants	-638	-	-	(783)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	46	70 697	75 630	92 559	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	3 689	3 750	4 500	8 398	
Decrease (Increase) in non-current debtors		-	-	13	
Decrease (increase) other non-current receivables	3	-	-	(79)	
Decrease (increase) in non-current investments		-	-		
Payments					
Capital assets	-65 246	(76)	(97 519)	(88 323)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62)	3 674	(93 019)	(79 990)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans					
Borrowing long term/refinancing	21 385	11 275	11 275	(6 498)	
Increase (decrease) in consumer deposits	95	250	250	61	
Payments					
Repayment of borrowing	-7 520	(8 954)	(6 954)		
NET CASH FROM/(USED) FINANCING ACTIVITIES	14	2 572	4 572	(6 437)	
NET INCREASE/ (DECREASE) IN CASH HELD	-1 209	76 943	(12 816)	6 131	
Cash/cash equivalents at the year begin:	23 054			21 414	
Cash/cash equivalents at the year end:	21 844	76 943	(12 816)	27 545	

At a very minimum a municipality should maintain a positive cash position. If the municipality does not reflect a positive cash position, it is the first indicator of financial distress.

There are three sub-indicators used to provide a more holistic view of the cash position of municipalities. These are:

- Did the municipality end the financial year with a positive or negative cash balance?

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- B. Are negative cash balances persistent – i.e. is the negative cash balance temporary in nature or is it indicative of deeper rooted financial difficulties prevalent in the municipality? Even if a municipality has a positive cash balance, should the municipality's revenue base be threatened, for how many months will the municipality continue to fund its' monthly operational expenditure? In other words, what is the cash coverage ratio of the municipality?

The municipality ended the financial year with a positive cash balance of R27.5m in comparison with the financial year 2011/2012 (R21.4) this was an increase of R6.1m.

The variances in cash flow from operating activities and to a large extent those variances in investing activities was a result of the municipality being in the process of budget reforms and the budget, in terms of the Financial Position, was not adjusted in line with the latest requirements of GRAP. The variances in capital assets were as a result of under spending on the capital budget. As already explained the under spending on capital budget was due EIA requirements and late receipt of grants. The variance in respect of borrowings was as a result of loans not being taken up in the 2012/2013 financial year. Trade Payables also increased by R18m over the budgeted amount. The municipality ability to collect revenue due and payable to it has a huge impact on cash flow, achieving its target of 91% in the next financial year will improve the cash flow position significantly.

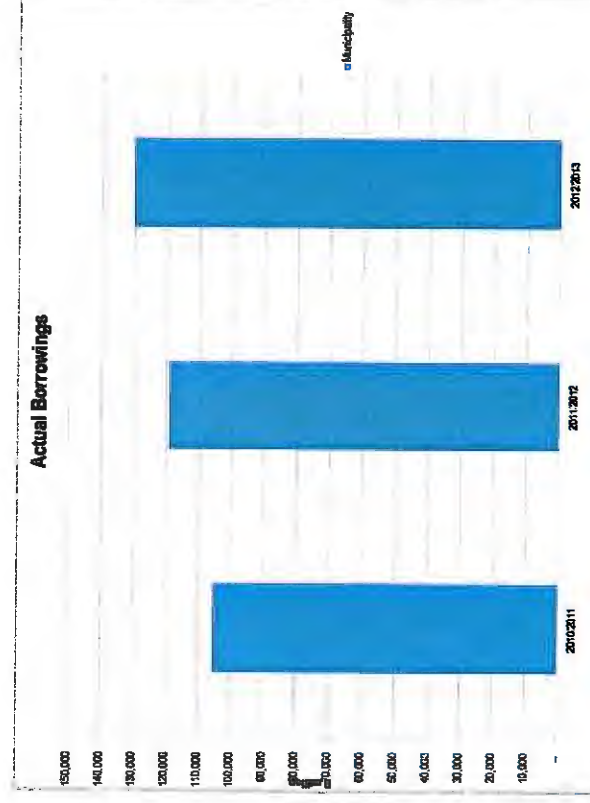
5.10 BORROWING AND INVESTMENTS

The municipality had a very high gearing ratio in the previous financial year. The higher this ratio the more the municipality is considered to be a risk with regards to that ability of the municipality to pay the interest and capital repayments of future borrowings. Therefore the municipality made a decision not to take up any loans in the 2012/2013 financial year.

Due the municipalities limited cash resources it is difficult to invest large amounts of money for long periods. The municipality mostly has call deposits to ensure that when it runs into cash flow problem investment as relatively easy to access.

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Actual Borrowings: Year -2 to Year 0					R' 000
Instrument	2010/2011	2011/2012	2012/2013		
Municipality					
Long- Term Loans (annuity/reducing balance)					
Long- Term Loans (non-annuity)	105,352	119,167	112,660		
Local registered stock					
Instalment Credit					
Financial Leases	48	98	107		
PPP liabilities					
Finance Granted By Cap Equipment Supplier					
Marketable Bonds					
Non-Marketable Bonds					
Bankers Acceptances					
Financial derivatives					
Other Securities					
Municipality Total	105,400	119,265	112,767		
Municipal Entities					
Long- Term Loans (annuity/reducing balance)					
Long- Term Loans (non-annuity)					
Local registered stock					
Instalment Credit					
Financial Leases					
PPP liabilities					
Finance Granted By Cap Equipment Supplier					
Marketable Bonds					
Non-Marketable Bonds					
Bankers Acceptances					
Financial derivatives					
Other Securities					
Entities Total	0	0	0		



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Municipal and Entity Investments					R' 000
Investment* type	2010/2011 Actual	2011/2012 Actual	2012/2013 Actual		
Municipality					
Securities - National Government					
Listed Corporate Bonds					
Deposits - Bank	15 394	15 042	20 740		
Deposits - Public Investment Commissioners					
Deposits - Corporation for Public Deposits					
Bankers Acceptance Certificates					
Negotiable Certificates of Deposit - Banks					
Guaranteed Endowment Policies (sinking)					
Repurchase Agreements - Banks					
Municipal Bonds					
Other					
Municipality sub-total	15 394	15 042	20 740		
Municipal Entities					
Securities - National Government					
Listed Corporate Bonds					
Deposits - Bank					
Deposits - Public Investment Commissioners					
Deposits - Corporation for Public Deposits					
Bankers Acceptance Certificates					
Negotiable Certificates of Deposit - Banks					
Guaranteed Endowment Policies (sinking)					
Repurchase Agreements - Banks					
Other					
Entities sub-total	0	0	0		
Consolidated total:	15 394	15 042	20 740		
					T 5.10.4



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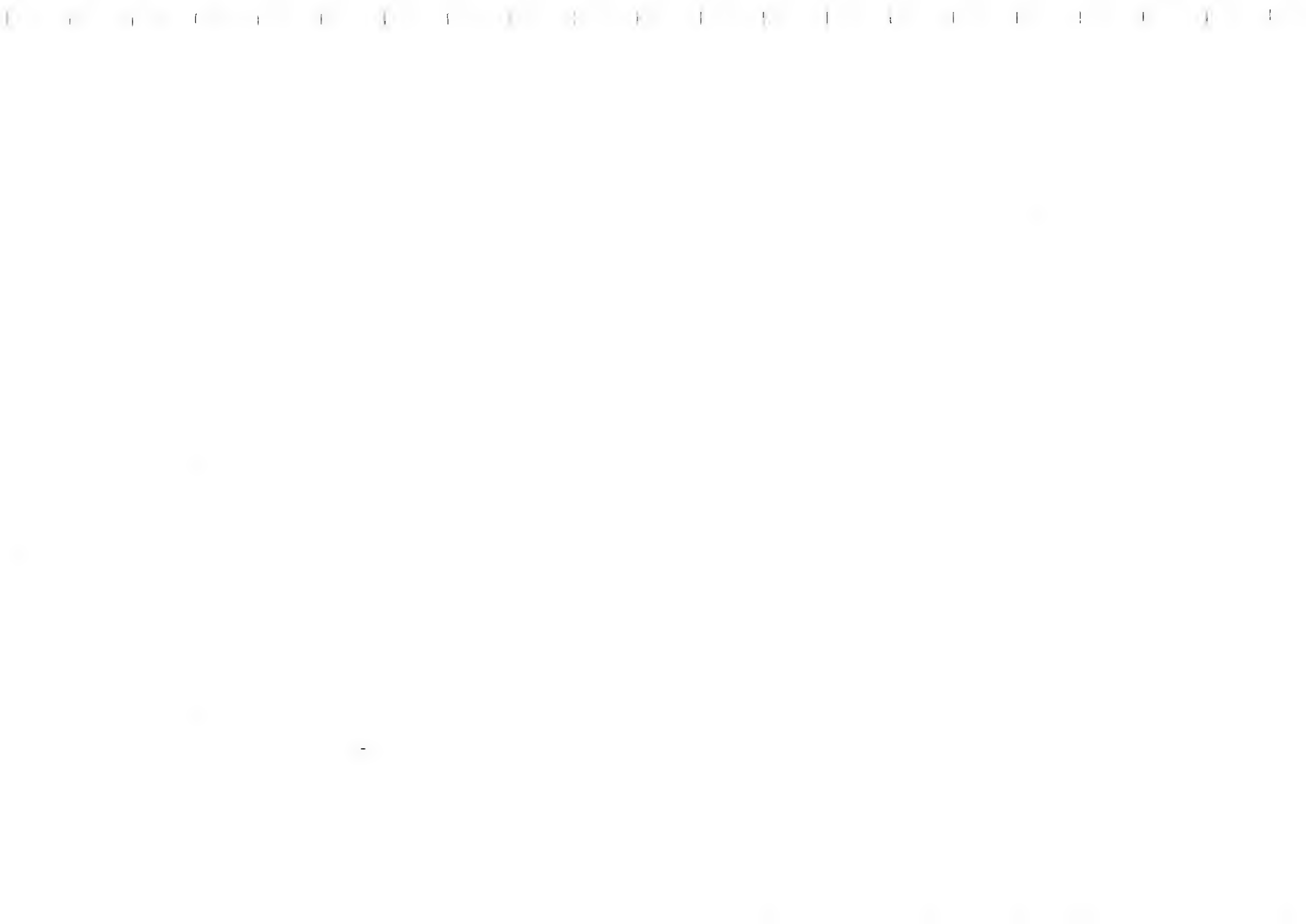
COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

The Manager: Expenditure did not complete minimum competency training as she retired. The post is currently vacant. The Head: SCM is still in process of attaining his minimum competency certificate (estimated date of completion March 2014) and has undergone various informal training courses. Provincial Treasury has established a Supply Chain Management forum consisting of individual Supply Chain Management practitioners of all Western Cape municipalities. The Head: SCM together with one other official in the SCM unit attends these quarterly SCM forum meetings. These meetings provide a platform to the SCM office to engage with other municipalities on the challenges of implementing the SCM policy. It is estimated that the Head SCM will complete his MMC course by

5.12 GRAP COMPLIANCE

During the financial year 2012/2013 the municipality was fully GRAP compliant with all applicable GRAP standards.



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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR - 2012/13

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE THEEWATERSKLOOF MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Theewaterskloof Municipality set out in Volume 11 pages 3 to 82, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Account Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2013 and its financial performance, cash flows and the comparison of budget and actual amounts for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

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Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 54 to the financial statements, the municipality is at risk for the payment of claims and other related expenditure. The amounts in this regard were uncertain at year-end and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the municipality at, and for the year ended, 30 June 2012.

Losses/Impairments

10. As disclosed in note 46.4 to the financial statements, the municipality incurred water losses of 672 530 kl (15,06%) during the year under review (2011-12: 220 646 kl or 5,64%).
11. As disclosed in notes 20 and 21 to the financial statements, the provision for bad debt for consumer debtors from exchange transactions amounted to R96,8 million (2011-12: R87,9 million), and from non-exchange transactions R20,2 million (2011-12: R16,5 million). Also disclosed in note 21 is the total bad debt written off in the year amounting to R11,5 million (2011-12: R16,6 million).

Material underspending of the budget

12. The municipality materially underspent its capital budget by R9 million, due to capital projects not being completed within the same time frames as those originally envisaged and after the original budget had been increased in the adjustment budget by R18,4 million.

Additional matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material inconsistencies in other information included in the annual report

14. The draft annual report was provided for auditing. A high-level overview was performed on the draft document and no material inconsistencies were identified. The final printer's proof of the annual report will again be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Unaudited supplementary schedules

15. The supplementary information set out in volume 11, pages 81 to 85 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 43 to 107 of the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability.
19. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether

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Indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information*.

20. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
21. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

22. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter.

Achievement of planned targets

23. Of the total number of 103 targets planned for the year, 38 were not achieved during the year under review. This represents 37% of the total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

24. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.
25. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

Internal control

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations.
27. I did not identify any deficiencies in internal control that I considered sufficiently significant for inclusion in this report.

Let's build it!

Cape Town

30 November 2013



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence

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6.1 ASSESSMENT BY THE MUNICIPAL ACCOUNTING OFFICER IN TERMS OF THE MFMA S121 (3) (E), (F) AND (G)

The MFMA section 121(3)(e) stipulates that the annual report must include an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges, and an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant year.

6.1.1 ASSESSMENT BY THE MUNICIPAL ACCOUNTING OFFICER MFMA S121 (3) (E)

The year under review has again proved to be a very difficult year country wide and certainly for Theewaterskloof as the debt crisis in the Eurozone has a spiral effect on the South African economy. The devaluation of the rand and the increase in fuel prices had also negatively impacted on inflation and the cost of living. Economic conditions in our municipal area have shown no improvement and hence it is becoming extremely difficult for the municipality to collect its outstanding debt.

Most of the municipalities' services (with the exception of electricity and to a certain extent water) are billed monthly in arrears to all consumers, regardless of whether these consumers have the means or ability to pay whilst we are facing many pressure groups who want to have more and better services and expect to pay less. Despite the many challenges, it is our objective and we remain confident and committed to improve our performance in credit control and debt collection in order to enable us to improve service delivery to all our communities.

The gross total outstanding debtors as at 30 June 2013 amounted to R141,4 million compared to R121,6 million for the corresponding period last year. This represents an increase of R19,8 million or 16,3% year on year. The net situation after the provision for doubtful debts has also deteriorated from R17 million to R24,3 million (43%). An analysis of the outstanding debtors is provided in the table below:

Ageing of receivables

Current (0 - 30 days)	10 731 901	13 740 228
1 to 3 months	10 072 299	6 652 275
Longer than 3 months	120 625 836	101 201 737
Total	141 430 037	121 594 241

The increase in the outstanding debtors is attributable to inter alia the difficulties that the municipality are experiencing in applying credit control measures in the areas where Eskom is the licensed electricity distributor. Another major contributor of the increase in outstanding debtors is the fact that it is virtually impossible to

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implement proper debt collection processes in one of our communities where the properties are held in trust. We however still remain optimistic that soon the tide will turn and we will continue to build on the successes achieved since 2006. Our position in respect of outstanding debtors has worsened which calls for urgent interventions and remedial action to turn this unfavourable situation around.

Municipalities are at a disadvantage from the date when consumers apply for services because unlike the private sector you may not refuse the provision of services even if a person is not credit-worthy. The only way of restricting indigents and other consumers, to consume within the free basic limits affordability limits, respectively is by way of Prepaid Meters after proper consultation and provided that it is included in the municipality's By-laws.

The following measures are proposed to improve the collection ratio:

- The revenue section is under capacitated when compared to municipalities with a similar revenue base. The current billing system does not allow for effective credit control and debt collection. Debt collection and credit control is being done manually as there is interface problems between the billing system and the separate computer system purchased for debt collection. Coupled with it, is the fact that the billing system is not integrated with the general ledger resulting in manual journals that have to be processed on a monthly basis. This situation always creates room for human error and reconciliations may be cumbersome and time consuming. The possibility of implementing an ERP system is currently being investigated and which will result in considerable cost savings and efficiencies. It will also improve the accuracy and the quality of management information, whilst at the same time eliminating the need for a separate computer system for debt collection and credit control.
- The fact that the bulk of the revenue is billed in areas where the municipality does not distribute electricity makes effective credit control impossible. Hence, in these instances the municipality has to rely on costly and time consuming legal processes to collect revenue. The municipality is continuing its efforts to take over the electricity distribution from Eskom or at least enter into an agreement with Eskom in terms of which the municipality will act as an agent for Eskom with regards to electricity distribution.
- An analysis of the revenue function has also revealed that the credit control and debt collection section in the biggest town is non-existent and at least two additional positions need to be created which will yield additional revenue and improve the cost benefit ratio in respect of revenue administration. Data cleansing and the maintenance of an updated debtors' database including indigent registration is also another area where the municipality will realize considerable cost savings.
- The replacement of conventional meters with prepaid meters is another initiative that will increase the efficiency of revenue collection. A tariff benchmarking exercise will be undertaken to ensure that tariffs are cost reflective and affordable which will also improve the revenue collection. A restructuring of tariffs may also be necessary to decrease surpluses on trading services and subsidization of rates funded services by trading services. The impact of price sensitivity on revenue may be reduced through a tariff restructuring.
- A water meter audit also needs to be conducted to limit water losses which is reported to be in excess of 15% and considered excessive. This may be due to theft and illegal connections, as well as faulty or no meters.
- The development and implementation of an incentive scheme to encourage consumers with arrear accounts to enter into arrangements for the payment of arrears is another initiative that will be explored.

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6.1.2 ASSESSMENT BY THE MUNICIPAL ACCOUNTING OFFICER - MFMA S121 (3) (F)

The actual revenue for the year amounted to R377,3 million against the budgeted revenue of R370,8 million. Revenue by source is depicted in the table below and indicates that the variances were recorded for government grants and subsidies and other income resulting in more revenue collected than anticipated.

REVENUE BY SOURCE	2013	2013	2013
	R (Actual)	R (Final Budget)	R (Variance)
Property rates	47 606 616	48 850 000	(1 243 384)
Service charges	131 967 496	134 632 710	(2 665 214)
Rental of facilities and equipment	2 717 236	1 396 000	1 321 236
Interest earned - external investments	2 407 250	2 130 000	277 250
Interest earned - outstanding debtors	7 616 931	7 900 000	(283 069)
Fines	5 465 859	5 324 000	141 859
Licences and permits	2 625 949	2 375 000	250 949
Agency services	1 956 810	2 000 000	(43 190)
Government Grants and Subsidies	146 123 243	157 552 273	(11 429 030)
Other revenue	28 790 306	4 093 832	24 696 474
Gains on disposal of PPE	-	4 500 000	(4 500 000)
Total Operating Revenue	377 277 696	370 753 815	6 523 881

6.1.3 ASSESSMENT BY THE MUNICIPAL ACCOUNTING OFFICER - MFMA S121 (3) (G)

The TWK Municipality has for the first time managed to obtain a clean audit from the Auditor-General on the annual financial statements for the year ended 30 June 2013.

There are however certain matters that were highlighted in the audit report which the municipality will attend to in 2013/14. These matters are as follows:

Pre-determined objectives

The municipality had failed to achieve 37% of the planned targets for the year. This was primarily due to the fact the targets were not suitably developed and a review of the targets have already been undertaken to ensure that the targets are well developed. Furthermore, we are currently conducting quarterly performance reviews which are audited and submitted to the performance audit committee and to Council.

Although the municipality had obtained a clean audit for the year, it is critical that financial management and internal controls be improved to maintain a clean audit opinion going forward.

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COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)

Dated

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GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a

GLOSSARY

Performance Indicator	Key Result Area:
	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Alderman C B Punt	Fulltime	Executive Mayor	DA	80%	100%
Councillor C Vosloo	Fulltime	Speaker	DA	100%	
Councillor P U Stanfliet	Fulltime	Technical Services	Ward 7 DA	90%	100%
Councillor M Tshaka	Fulltime	Corporate Services	Ward 13 DA	100%	
Councillor K Papier	Fulltime	Operational Services	Ward 3 DA	100%	
Councillor G Carelse	Fulltime	Development Services	COPE	90%	100%
Councillor N De Wet	Fulltime	Financial Services	Ward 5 DA	100%	
Councillor N Pieterse	Part Time	Corporate Services	Ward 9 DA	90%	100%
Councillor M Nongxaza	Part Time	Corporate Services	NICO	80%	100%
Councillor J Nellie	Part Time	Corporate Services	Ward 6 ANC	80%	100%
Councillor F Mankayi	Part Time	Corporate Services	ANC	80%	100%
Councillor M Koegelenberg	Part Time	Financial Services	Ward 4 DA	90%	100%
Councillor M Mathews	Part Time	Financial Services	Ward 11 DA	90%	100%
Councillor S Witbooi	Part Time	Financial Services	ANC	80%	100%
Councillor J Hendricks	Part Time	Financial Services	ANC	80%	100%
Councillor M Plato	Part Time	Development Services	Ward 10 DA	100%	
Councillor I Sileku	Part Time	Development Services	DA	100%	
Councillor P de Wet	Part Time	Development Services	ANC	70%	100%
Councillor U Sipunzi	Part Time	Development Services	Ward 12 ANC	60%	100%
Councillor K Tieme	Part Time	Technical Services	Ward 1 DA	90%	100%
Alderman C November	Part Time	Technical Service	ANC	40%	100%
Councillor C Thembani	Part Tim	Technical Service	Ward 8 ANC	80%	100%
Councillor J Swartz	Part Time	Operational Services	NNP	90%	0%
Councillor M Hector	Part Time	Operational Services	Ward 2 DA	90%	100%
Councillor A Cupido	Part Time	Operational Service	ANC	70%	100%

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Committees (other than Mayoral / Executive Committee) and Purposes of Committees Purpose of Committee
ICT Committee	The purpose of the ICT Steering Committee to govern and be accountable for the municipality's ICT environment and
Portfolio Committees	Council has the following Portfolio Committees:
	Corporate Services Portfolio Committee
	Financial Services Portfolio Committee
	Technical Services Portfolio Committee
	Development Services Portfolio Committee
	Operations Portfolio Committee
	Portfolio Committees are established to assist council with the effective and efficient performance of any of its functions or to exercise any of its powers.
Town Advisory Committees	TAF's are composed of the Ward Councillors, PR Councillors, Ward Committee Members and the town manager of the respective town. The TAF's are consulted when ward committee input is needed for a town as a whole. The role and function of the TAF is to advise and make recommendations to Council on behalf of the community within their respective wards on matters pertaining to the IDP and the Budget, service delivery and development projects within the town.
Ward Committees	Ward committees is the official public participation structure of the Municipality. It has 5 primary functions: Drafting of the ward IDP and Budget, Service Level Agreement monitoring, Identifying the Quickwin Projects for their wards/ towns and they should report back to their Constituencies
Performance and Audit Committee	Internal financial control, internal audits, performance management and effective governance.
Oversight Committee	S. Marthinus
Risk Management Committee	Review the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the register.
Combined Management, Speaker and Executive Mayoral Committee	S. Marthinus
Management Committee	S. Marthinus
ICT Committee	Effective Implementation and compliance of the Theewaterskloof Information technology policies and procedures
Planning	S. Marthinus
Financial Sustainability	S. Marthinus

APPENDICES

APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Municipal / Entity Functions	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:			
Air pollution		Yes	No
Building regulations		Yes	No
Child care facilities		Yes	No
Electricity and gas reticulation		Yes	No
Firefighting services		No	No
Local tourism		Yes	No
Municipal airports		No	No
Municipal planning		Yes	No
Municipal health services		No	No
Municipal public transport		Yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters of international and national shipping and matters		No	No
Stormwater management systems in built-up areas		Yes	No
Trading regulations		Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		Yes	No
Beaches and amusement facilities		Yes	No
Billboards and the display of advertisements in public places		Yes	No
Cemeteries, funeral parlours and crematoria		Yes	No
Cleansing		Yes	No
Control of public nuisances		Yes	No
Control of undertakings that sell liquor to the public		Yes	No
Facilities for the accommodation, care and burial of animals		Yes	No
Fencing and fences		Yes	No
Licensing of dogs		Yes	No
Licensing and control of undertakings that sell food to the public		Yes	No
Local amenities		Yes	No
Local sport facilities		Yes	No
Markets		Yes	No
Municipal abattoirs		Yes	No
Municipal parks and recreation		Yes	No
Municipal roads		Yes	No
Noise pollution		Yes	No
Pounds		Yes	No
Public places		Yes	No
Refuse removal, refuse dumps and solid waste disposal		Yes	No
Street trading		Yes	No
Street lighting		Yes	No
Traffic and parking		Yes	No

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APPENDIX D – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 0)							R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value		
Lektratek	Upgrading of Grabouw Sewage Treatment Works - Phase 1 Design, Supply & Installation of Mechanical & Electrical equipment	22-Feb-12	21-Feb-17	N. Kayser	31 086		
Baseline Civil Contractors	Upgrading of Grabouw Sewage Treatment Works: Civil Works Phase 2A and 2B	6-Dec-12	31-Jan-14	N. Kayser	14 801		
ABSA Bank	Raising of Loans			P. Mostert	11 275		
Victory Parade 182 t/a Seven Sires	Development of 138 Subsidised Low-costs Housing Units in Pineview, Grabouw	9-May-11	30-Jun-12	D. Kruse	9 397		
Victory Parade 182 t/a 7 Sires	Construction of 100 RDP Houses at Waterworks and Denekeknin - Grabouw	27-Aug-12	30-Jun-13	D. Kruse	8 990		
Exeo Khokela	Construction of Villersdorp Reservoir and Related Connecting Pipe Work	7-Dec-12	31-Jul-13	N. Kayser	7 857		
Victory Parade 182 t/a 7 Sires	Rooidek 1169 UISP - Upgrading of Informal Settlement Programme for Stages 1, 2 and 3			D. Kruse	7 682		
EnviroServ Waste Management	Operation of the Caledon Landfill Site and Transportation of Containerised Municipal Solid Waste	29-Jul-10	1-Aug-13	N. Kayser	7 523		
Victory Parade 182 t/a Seven Sires	Development of 70 Subsidised Low-costs Housing Units in Villersdorp	6-Jun-11	30-Jun-12	D. Kruse	5 434		
Cape Agulhas Civils	Installation of Greyton- Genadendal Link Sewer	11-May-09		N. Kayser	5 293		
Kwezi V3	Provision of Professional Services for Bulk Water Supply in Grabouw	1-Dec-06	31-Dec-13	N. Kayser	3 785		
Cape Asphalt	Upgrading of Grabouw Community Centre Precinct	28-May-12	27-Aug-12	J. Barnard	3 704		
Viking Pony Africa Pump t/a Thicom Africa	Supply and Installation of Mechanical and Electrical Pumping Equipment for the Eikenhof Dam Pump Station	15-Mar-12	31-Dec-13	N. Kayser	3 630		
Boland Valuers	Provision of Professional Services for Supplementary Valuations	31-Jan-11	30-Jun-13	J. van Niekerk	3 287		
Adenco Construction	Electrification of Informal Houses in Villersdorp (Gontwe Park and Poekom)	27-Sep-12	28-Jun-13	M. Redelinghuys	3 055		
Syntell	Traffic Speed Measuring, Numbering Plate recognition System and delivery of Administrative Support Services for Fine Collection	18-Dec-12	17-Dec-15	N. Arendse	3 000		
Adenco Construction	Provision of Short Term Insurance for a Period of Three (3) Years			M. van Staden	2 776		
Requard Construction	Replacement of Conventional Electricity Meters with Pre-Payment type	16-Feb-11	30/2/2012	M. Redelinghuys	2 732		
Adenco Construction	Upgrading of Protea Street, Grabouw	31-Oct-12	28-Mar-13	L. Parnell	2 688		
	Medium and Low Voltage Upgrading in Caledon, Villersdorp and Villersdorp	13-Dec-12	28-Jun-13	M. Redelinghuys	2 646		

APPENDIX E - DISCLOSURES OF FINANCIAL INTERESTS

Municipality | APPENDICES

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APPENDIX F (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	2011 / 12		2012 / 13		2012 / 13		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - Executive & Council	5 096	6 271	7 325	8 363	33%	14%	
Vote 2 - Finance & Admin	95 042	98 967	105 607	225 210	128%	113%	
Vote 3 - Planning & Development	1 620	1 731	3 091	(441)	-125%	-114%	
Vote 4 - Community & Social Services	4 574	6 040	6 090	5 276	-13%	-13%	
Vote 5 - Housing	-	318	318	(795)	-350%	-350%	
Vote 6 - Public Safety	3 039	5 734	5 418	4 169	-27%	-23%	
Vote 7 - Sport & Recreation	(212)	264	174	(821)	-412%	-572%	
Vote 8 - Environmental Protection	-	-	-	(100)			
Vote 9 - Waste Management	20 277	23 495	23 245	20 855	-11%	-10%	
Vote 10 - Waste Water Management	17 927	21 516	20 156	19 130	-11%	-5%	
Vote 11 - Roads Transport	3 878	5 440	4 773	2 514	-54%	-47%	
Vote 12 - Water	37 466	46 780	44 592	33 478	-28%	-25%	
Vote 13 - Electricity	58 989	67 020	65 500	61 356	-8%	-6%	
Vote 14 - Other	55 406	75 936	87 883	(108)	-100%	-100%	
Example 15 - Vote 15	0						
Total Revenue by Vote	303 101	359 511	374 172	378 085	5%	1%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustment. This table is aligned to MBRR table A3							T K.1

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APPENDIX F (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2011/12	2012/13			Actual	2012/13	
	Actual	Original Budget	Adjustments Budget	Original Budget		Adjustments Budget	
Property rates	43 226	43 766	45 900	47 607	9%	4%	
Property rates - penalties & collection charges	-	-	-	-	-	-	
Service Charges - electricity revenue	54 639	64 822	63 303	60 369	-7%	-5%	
Service Charges - water revenue	35 255	43 664	41 475	35 114	-20%	-15%	
Service Charges - sanitation revenue	14 623	16 584	15 224	18 025	9%	18%	
Service Charges - refuse revenue	16 074	17 248	16 998	18 460	7%	9%	
Service Charges - other	166	1 761	1 668	-	-100%	-100%	
Rentals of facilities and equipment	1 105	2 712	2 724	2 717	0%	0%	
Interest earned - external investments	1 738	1 800	2 130	2 407	34%	13%	
Interest earned - outstanding debtors	7 834	7 000	7 900	7 617	9%	-4%	
Dividends received	-	-	-	-	-	-	
Fines	2 942	5 376	5 324	5 466	2%	3%	
Licences and permits	2 926	3 033	2 375	2 626	-13%	11%	
Agency services	1 836	2 015	2 000	1 957	-3%	-2%	
Transfers recognised - operational	54 794	79 029	81 779	74 010	-6%	-10%	
Other revenue	10 537	6 096	8 070	27 788	356%	244%	
Gains on disposal of PPE	-	3 750	4 500	-	-100%	-100%	
Environmental Protection	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	247 695	298 655	301 369	304 162	2%	1%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments.							
T K 2							

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APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG							R'000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
National Treasury							
Local Government Financial Management Grant (FMG)	1 500	1 390	1 641	9%	15%		
Municipal System Improvement Grant (MSIS)	800	800	941	18%	15%		
National Electrification Programme (NEP)	3 000	3 000	3 000	0%	0%		
Neighbourhood Development Programme Grant	-	1 873	1 796		-4%		
Regional Bulk Infrastructure Grant (RBIG)	5 500	10 500	10 500	91%	0%		
Provincial Treasury							
Integrated Housing and Human Settlement & Dev. Grant	38 762	40 247	37 308	-4%	-8%		
CDW Operational Support Grant	189	313	142	-25%	-120%		
Development Of Recreational Facilities (Sportfields)	144	144	144	0%	0%		
Maintenance Of Proclaimed Main Roads	108	108	108	0%	0%		
Library Service Conditional Grant	5 671	5 671	5 671	0%	0%		
Financial Management Support Grant	-	400	-				
Thusong Multi Purpose Centre	2 500	2 500	-	-100%			
Public Infrastructure Grant	-		1 500		100%		
Other Specify:							
DBSA LED	-	966	368		-162%		
HAN students	900	1 067	637	-7%	-27%		
IDC Grant	-	800	165		-304%		
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original adjustments budget by original adjustments. Obtain a list of grants from national and provincial government.							TL

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

